

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☐

OTHER

SINGLE
ZONE ☐

MULTIPLE
ZONE ☒

2. NAME OF OPERATOR

John Chasel DBA Chasel Energy

3. ADDRESS AND TELEPHONE NO.

2285 Lucky John Drive, Park City, Utah 84060

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

660' FSL, 1400' FEL, Sec. 6, T.1 S., R.2 W.

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 8.8 miles Northeast of Bluebell

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

2,393'

19. PROPOSED DEPTH

16,000'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6455' GR.

22. APPROX. DATE WORK WILL START*

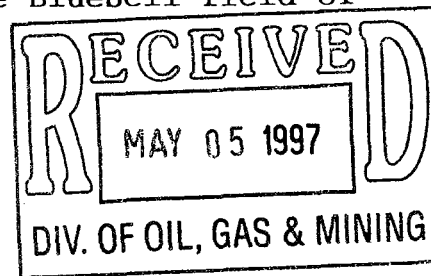
June 5, 1997

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 1/4"	10 3/4"	40.5#	2500'	1900 Sks.
9 7/8"	7 5/8"	26.4 & 29.7#	12,500'	2,200 Sks.
6 3/4"	5 1/2"	20#	16,000'	1,200 Sks.

John Chasel DBA Chasel Energy is bonded by Lumberman's Mutual Casualty Company to cover Ute Tribal Lease in Section 6, T.1 S., R. 2 W.

This well is a Green River-Wasatch Test in the Bluebell field of Duchesne County, Utah.



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

John Chasel

TITLE Owner & Operator

DATE April 30, 1997

(This space for Federal or State office use)

PERMIT NO.

43-013-31882

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

John R. Boyer

TITLE

Associate Director

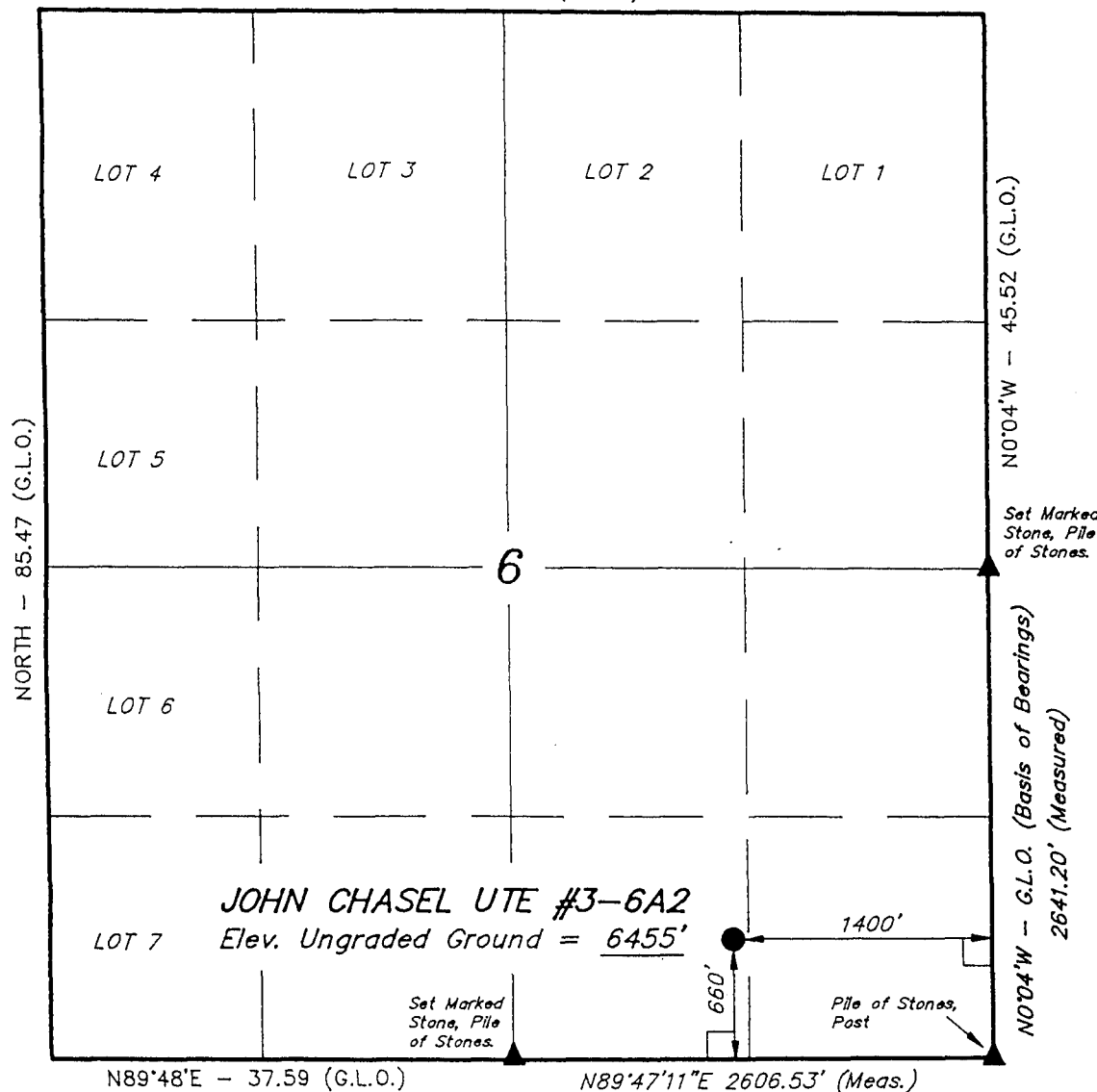
DATE

8/5/97

*See Instructions On Reverse Side

T1S, R2W, U.S.B.&M.

WEST - 77.12 (G.L.O.)

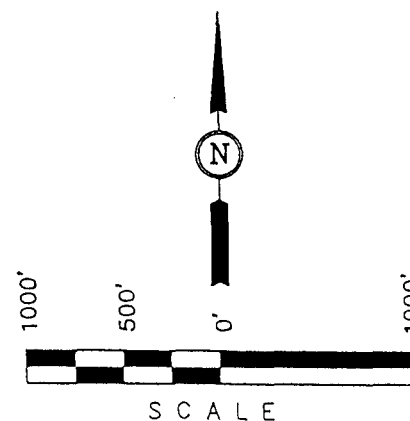


CHASEL ENERGY

Well location, UTE TRIBAL #3-6A2, located as shown in the SW 1/4 SE 1/4 of Section 6, T1S, R2W, U.S.B.&M. Duchesne County, Utah.

BASIS OF ELEVATION

TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 6, T1S, R2W, U.S.B.&M. TAKEN FROM THE NEOLA NW, QUADRANGLE, UTAH, DUCHESNE COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6672 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

No. 161319
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(801) 789-1017

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

SCALE 1" = 1000'	DATE SURVEYED: 11-15-95	DATE DRAWN: 11-16-95
PARTY G.S. B.B. D.J.S.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE CHASEL ENERGY	

EIGHT POINT PLAN

JOHN CHASEL UTE 3-6A2
SW/SE SEC. 6 T1S R2W
DUCHESNE COUNTY, UTAH

1.&2 ESTIMATED TOPS & ANTICIPATED OIL,GAS & WATER ZONES

<u>FORMATION</u>	<u>DEPTH</u>	<u>TYPE ZONES</u>	<u>MAX. PRESSURE</u>
Duchesne Rvr	Surface	Fresh Water	
Uinta Fm.	3430'	Fresh Water	
Green River	7800'	OIL & GAS	3500
H. marker	10790'	OIL & GAS	
Black Sh.	11300'	OIL & GAS	5000
Wasatch Tran.	11700'	OIL & GAS	5000
Wasatch Fm.	12150'	OIL & GAS	6000
Wasatch B	13470'	OIL & GAS	6000
EST. TD	16,000'	Anticipated BHP 6000 PSI	

3. PRESSURE CONTROL EQUIPMENT: BOP Schematic Diagram attached

4. CASING PROGRAM:

										<u>MIN. SAFETY FACTOR</u>
<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>COLLAPSE</u>	<u>BURST</u>	<u>TENSL.</u>	
14 1/4"	0-2500'	2500'	10 3/4"	40.5	J55	8 ROUND	1580#	3130#	629M	
9 7/8"	0-12500'	12500'	7 5/8"	26.4	N80	8 ROUND	3400#	6020#	602N	
				29.7	S95	8 ROUND	7150#	8180#	811N	
6 3/4"	12300-16000'	3700'	5.5"	20.0	P110	CS HYDR	11080#	12640#	641N	

All casing will be new or inspected

5. MUD PROGRAM

<u>INTERVAL</u>	<u>MUD TYPE</u>	
0-8000'	Waterngel	8.5#
8000-12000'	Low Solids	9.5#
12000-16000'	Low Solids	13.8#

Lost circulation zones not anticipated

Sufficient mud inventory will be maintained on location during drilling to handle any adverse conditions that may arise.

EIGHT POINT PLAN

JOHN CHASEL UTE 3-6A2
SW/SE SEC. 6 T1S R2W
DUCHESNE COUNTY, UTAH

6. VARIANCE REQUESTS:

No variance to regulations is requested.

7. EVALUATION PROGRAM:

Logs: SCHLUMBERGER WIRELINE

DIL-SFL 2500' - 16000'

CNL-FDL 6000' - 16000'

FW SONIC 6000' - 16000'

MUDLOG 6000' - 16000'

Additional logs as needed to evaluate formation 6000-TD

Cores: None Programmed

DST's: None Programmed

Completion: To be submitted at a later date.

8. ABNORMAL CONDITIONS:

None anticipated.

9. STANDARD REQUIRED EQUIPMENT:

A. Choke Manifold

B. Gas Buster

C. Visual Mud Monitoring

10. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

(Attachment: BOP Schematic Diagram)

DRILLING PROCEEDURE

Field BLUEBELL Well John Chasel Ute 3-6A2
 Location 660' FSL 1400' FEL., Section 6, T. 1 S., R. 2 W. USB & M
 Drill X Deepen _____ Elevation: GR 6455' KB _____ Total Depth 16,000'
 Non-Oper. Interests _____

1. Casing Program (~~XXXXXX~~ N = New)

	Surface	O/N	Intermediate	O/N	Oil String/Liner	O/N
Hole Size	<u>14 1/4"</u>		<u>9 7/8"</u>		<u>6 3/4"</u>	
Pipe Size	<u>10 3/4"</u>		<u>7 5/8"</u>		<u>5 1/2"</u>	
Grade	<u>J55</u>	<u>N</u>	<u>N80 & S95</u>	<u>N</u>	<u>P110</u>	<u>N</u>
Weight	<u>40.5#</u>		<u>26.4# & 29.7#</u>		<u>20#</u>	
Depth	<u>2500'</u>		<u>12,500'</u>		<u>16,000'</u>	
Cement	<u>1900 sks</u>		<u>2,200 sks</u>		<u>1200 sks</u>	
Time WOC	<u>12 hrs</u>		<u>24 hrs</u>		<u>24 hrs</u>	
Casing Test	<u>3000 PSI</u>		<u>5000 PSI</u>		<u>5000 PSI</u>	
BOP #1	<u>1-10 Series</u>	<u>900</u>	<u>Shafer Doublegate</u>			
Remarks #2	<u>1-10 Series</u>	<u>900</u>	<u>Hydrill</u>			

2. Mud Program

Depth Interval	Type	Weight	Viscosity	Water Loss
<u>Surface to 8000'</u>	<u>Watergel</u>	<u>8.5#</u>	<u>30-35</u>	<u>-----</u>
<u>8000 - 12000'</u>	<u>Low Solids</u>	<u>9.5#</u>	<u>32-36</u>	<u>10-15</u>
<u>12000-16000'</u>	<u>Low Solids</u>	<u>13.8# Max</u>	<u>35-40</u>	<u>10-12</u>

3. Logging Program

Surface/Depth	<u>1 Run</u>	<u>NONE</u>
Intermediate Depth	<u>2500' - TD: DIL-SFL; 6000' - TD: Comp. Neut.-For.Den.</u>	
Oil String Depth	<u>Full Wave Sonic, MudLog, Cyberlook.</u>	
Total Depth	<u>16,000'</u>	

4. Mud Logging Unit Rocky Mountain Geo-Engineering

Scales 5" = 100' to 6000' to 16000' to _____

5. Coring & Testing Program

Core NONE DST NONE Formation _____ Approx. Depth _____ Length _____
 Core NONE DST NONE _____

6. Objectives & Significant Tops: Objectives: Primary: Wasatch & Wasatch Trs.

Formation or Zone	Approx.Depth	Formation or Zone	Approx.Depth
<u>Duchesne River Fm.</u>	<u>Surface</u>	<u>Wasatch Trans.</u>	<u>11700'</u>
<u>Uinta Fm.</u>	<u>3430'</u>	<u>Wasatch Fm.</u>	<u>12150'</u>
<u>Green River Fm.</u>	<u>7800'</u>	<u>Wasatch "B"</u>	<u>13470'</u>
<u>Green River H</u>	<u>10790'</u>		
<u>Green River Blk. Sh.</u>	<u>11300'</u>		

7. Anticipated Bottom Hole Pressure: 6,000 PSI

8. Completion 7 Remarks: Completion prognosis will be prepared following evaluation of drilling and logging of the John Chasel Ute 3-6A2 Test.

Compiled By: _____

Approved By: _____

THIRTEEN POINT PLAN

GENERAL Requirements for working on Ute Tribal Lands

1. All operators, subcontractors, vendors, and their employees or agents will be confined to established roads and wellsite.
2. All operators, subcontractors, vendors and their employees or agents shall not carry firearms or other weapons.
3. No alcoholic beverages or drugs shall be permitted while working on the reservation.
4. A cultural resource clearance has been granted by the Archeological-Environmental Research Corporation.
5. A wood permit will be obtained from the Forestry Department of the BIA before any firewood is removed.

1. Existing Roads - See Location Map

- A. Wellsite: 660' FSL, 1400' FEL, (SW,SE Sec. 6) T1S R2W
- B. Travel 1.0 miles east of Bluebell, Utah and turn north (left) on graded road for 1.3 miles. Then turn east (right) on graded oil field road and travel 3.7 miles crossing Dry Gulch Creek to N/S intersection. Then turn north (left) on graded oil filed road for 1.8 miles. Turn right (east) on oil well service road for Pennzoil Ute 2-7A2 well. This road travels east then northerly for 0.6 miles to the Ute 2-7A2 location and northward past the location for 0.4 miles with new road to the well site.
- C. Roads: Existing County road from Bluebell is hardtopped with asphalt. All other roads are graded, many with fair gravel toping.
- D. Other existing roads as marked on Topo map.
- E. Existing roads will be maintained by the county. The well service road to the Ute 2-7A2 well is maintained by Pennzoil. The new access road will be built to BLM specifications and maintained as required, for all weather use, by the operator. (See engineer survey plat).
- A. General:

- (1) The BIA and Vernal District BLM will be notified 48 hours prior to commencing work on the Ute Tribal Lands.
- (2) A pile of stones and a post is present 660' south and 1400' east of the wellsite at the SE corner of Section 6.
- (3) The dirt contractor will be furnished a copy of this Surface Use Plan, and along with any additional BLM or BIA stipulations, prior to the work.
- (4) Trees: There are no trees on the access route or location.
- (5) All artifacts found on Tribal Lands shall be left in place and the BIA promptly notified.
- (6) The top 9-10 inches of topsoil will be removed and stockpiled on the NE corner of the location.
- (7) The reserve pit will be lined with native clay materials and water proofed.

B. Planned Access Roads:

2100 feet of new access road will be required. The subject road will be built to BLM specifications (from figure 6, p 26, "Surface Operating Standards for Oil & Gas Exploration and Development"}, as follows:

- (1) Width: 16' at crown:
Total disturbed Width 30'.
- (2) Maximum Grades: 3% Maximum.
- (3) Turnouts: None required.
- (4) Drainage: Borrow pit on east side.
- (5) Culverts:
 - a. 18" as needed.
- (6) Surface material: The roads surface will be covered with 6 inches of 4" roadbase and 2" inches of 1 1/2" gravel topping as required for traction and erosion control.
- (7) Gates/Cattleguards:
No fences will be crossed from the Ute 2-7A2

3. Location of Existing Wells: - See Topo Map

Wells within one mile radius:

- (1) Water wells: None
- (2) Abandoned Oil Wells: Humble, Bluebell #1 located approximately 2600' NNW of location.
- (3) Temporarily Abandoned Wells: None.
- (4) Disposal Wells: None.
- (5) Drilling Wells: None.
- (6) Producing Wells:
 - Quinex Ute 11-6A2
 - Pennzoil Ute 2-7A2
 - Pennzoil Lamique 4-5A2
- (7) Shut in Wells: None.
- (8) Injection Wells: None.
- (9) Monitoring Wells: None.

4. Location of Existing and/or Proposed Facilities - See Wellsite Plat.

A. Within 1-mile radius of location, existing facilities owned or controlled by lessee/operator:

- (1) Tank Batteries: Same as 6 above.
- (2) Production Facilities: Same as above.
- (3) Oil Gathering Lines: None.
- (4) Gas Gathering Lines: Coastal Oil & Gas
- (5) Injection Lines: None.
- (6) Disposal Lines: None.

B. New Facilities Contemplated:

- (1) Off Well Pad: A gas line tie-in to Coastal Oil & Gas gathering system and electric tie-ins to Moon Lake Electric are anticipated. Agreements with Coastal and Moon Lake will be executed prior to completion of the well.

- (2) Well Pad Dimensions: Refer Rig Layout Plat.
 - (3) Construction Methods: Tanks are to be welded. Battery grade will be less than 3' above well pad grade. All equipment will be painted medium sand brown.
 - (4) Protective Measures: There will be no open vessels or permanent storage of fluids in open pits. Storage tanks will be diked to provide emergency containment of a potential tank failure.
- C. Plan for rehabilitation: Upon completion of the well, the reserve pit and all unused areas will be reclaimed. Upon plugging of the well, all production facilities and tanks will be removed and the entire location will be returned, as far as practical, to original grade, and reseeded as per BIA specifications.
5. Location and Type of Water Supply
- A. Water Source:

Approximately ten acre-feet of water will be required to drill and complete the well. Water is to be pumped or hauled from Dry Gulch Creek or the Yellowstone Feeder Canal. Proper water right will be obtained from the State Engineer prior to spudding.
 - B. Transportation: Water will be trucked.
 - C. Water Well: None proposed.
6. Source of Construction Materials:
- A. Source: Materials from cuts will be used in fills. No additional requirements are anticipated.
 - B. Ownership: The access road and location are on Ute Tribal Lands.
 - C. Outside Materials: Roadbase will be obtained from commercial gravel pits in the Bluebell, Utah area.
 - D. Access: No additional access roads will be required excepting the proposed road from the Ute 2-7A2 well to the location, (See plat Above).
7. Methods for Handling Waste Disposal
- Disposal will be handled as follows:

- (1) Cuttings: Drill cuttings are to be buried in the reserve pit.
- (2) Drilling Fluids: Drilling fluids are to be removed to a commercial disposal pit within 90 days of completion.
- (3) Produced Fluids: Produced oil will be sold to an authorized oil buyer. Produced water will be hauled to an authorized disposal.
- (4) Sewage: Chemical Toilets will be provided for the drilling crew.
- (5) Trash and Garbage: Trash will be accumulated in a wire mesh receptacle and hauled to a sanitary land fill.
- (6) Post Drilling Cleanup: After drilling operations cease, the access road and location will be cleaned up and graded. The reserve pit will be covered and reseeded to Ute specifications within 90 days.

8. Ancillary Facilities

No camp facilities are planned or required.

9. Well site Layout - See Attached Wellsite Plat.

- (1) Cross Sections: Provided with plat.
- (2) Equipment Layout: Provided on plat.
- (3) Rig Orientation: Provided on plat.
- (4) Pits: All pits are to be sealed.
Location will be fenced on four sides - see plat.

10. Plans for Restoration of Surface

Upon completion of drilling operations, the location is to be restored as follows:

- (1) Initial Cleanup: Location and surrounding area are to be cleaned of all debris resulting from the drilling operation. All trash is to be hauled to a local sanitary landfill.
- (2) BIA and Vernal BLM will be notified 48 hours prior to any surface restoration requiring earth moving equipment, and upon completion of work.

- (3) Topography: Within ninety days of completion (weather permitting) the well, the reserve pit is to be dried, filled and recontoured to original shape. All spoil material is to be buried a minimum of five feet deep. All trash will be removed prior to burial. All disturbed areas, not require for continued operation, are to be recontoured to original shape.
- (4) Stockpiled topsoil will be evenly distributed back over reclaimed areas.
- (5) Revegetation: Reclaimed areas will be scarified and seeded by broadcasting or drilling, per BIA recommendations.
- (6) Unused areas will be blocked from vehicular access.
- (7) Pits: Pits will be fenced until cleanup, using wire mesh fence with 2 strands of barbed wire.
- (8) Oil on pits: Any oil on the pits will be removed to a commercial disposal when rig is released.
- (9) Timetable: Reserve pit is to be reclaimed within 90 days of completion date. Other areas will be reclaimed within six months of discontinued use.

11. Other Information

A. Ownership and Right-of-ways:

Both the surface and minerals are owned by the Ute Tribe. Right-of-ways for road, location, gas gathering lines, and power lines will be requested from the BIA.

B. General Description of Area:

(1) Topography: Semi-arid with sage brush and small junipers. No irrigation.

(2) Surface Use Activity: The surface is presently used for cattle grazing.

(3) Water, Dwellings, Archeology: Water is available in the Yellowstone Feeder Canal, approximately 3 miles northwest of the location; and from Dry Gulch Creek approximately 4 miles southwest of the location, both by road. There are no dwellings within 1/4 mile.

12. Production Operations

- A. Notification: A first production report will be sent to the BLM within 5 days of first production to establish site security and APD compliance.
- B. Site Security: Site security plan will be submitted within thirty days of completion.
- C. Water Production: NTL-2B will be submitted within 60 days of completion. It is anticipated that the water produced will be hauled to the pit located in Lapoint, Utah, Section 8, T 1 S, R 1 E.
- D. Weed control: The road and location will be professionally sprayed annual, using EPA approved chemicals, to control noxious weeds.
- E. The tank battery is to be built along the west side of the location. All permanent structures will painted an approved earthtone color within six months of installation, OSHA required markings excepted.

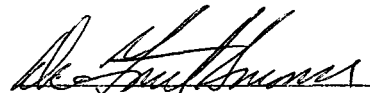
13. Lessee's or Operator's Representative

DeForrest Smouse
465 South 200 West, Suite 300
Bountiful, Utah 84010
Phone: (801) 292-3800 or 292-2554

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist: that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated will be performed by Chasel Energy and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Date: May 5, 1997


DeForrest Smouse
Chasel Energy

CHASEL ENERGY


JOHN CHASEL UTE #3-6A2

SECTION 6, T1S, R2W, U.S.B.M.

PROCEED IN AN EASTERLY DIRECTION FROM BLUEBELL, UTAH APPROXIMATELY 1.0 MILES TO THE INTERSECTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE INTERSECTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN RIGHT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 3.7 MILES TO THE INTERSECTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 1.8 MILES TO THE INTERSECTION OF THIS ROAD AND EXISTING ACCESS TO THE UTE #2-7A2 TO THE EAST, TURN RIGHT AND PROCEED IN AN EASTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 0.6 MILES TO THE EXISTING UTE 2-7A2 AND PROPOSED ACCESS ROAD TO THE NORTH;
FOLLOW ROAD FLAGS IN A NORTHERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE PROPOSED LOCATION.

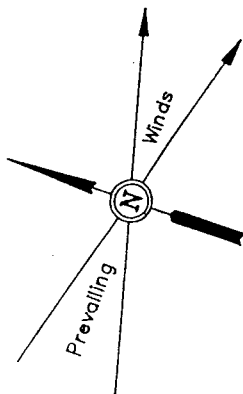
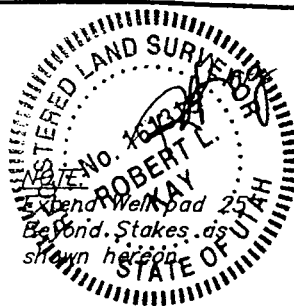
Following is an example of a SELF-CERTIFICATION STATEMENT

Please be advised that John Chasel is considered to be the operator of Well No. 3-6A2 ;
SW 1/4 SE 1/4 Section 6, Township 1S, Range 2W; Lease 14-20-H62-4652 Duchesne, UT
Count, UT ; and is responsible under the terms and conditions of the lease for the operations
conducted upon the leased lands. Bond coverage is provided by Lumberman's Mutual
Casualty Co.

A handwritten signature in cursive script, appearing to read "John Chasel", is written over a horizontal line.

CHASEL ENERGY LOCATION LAYOUT FOR

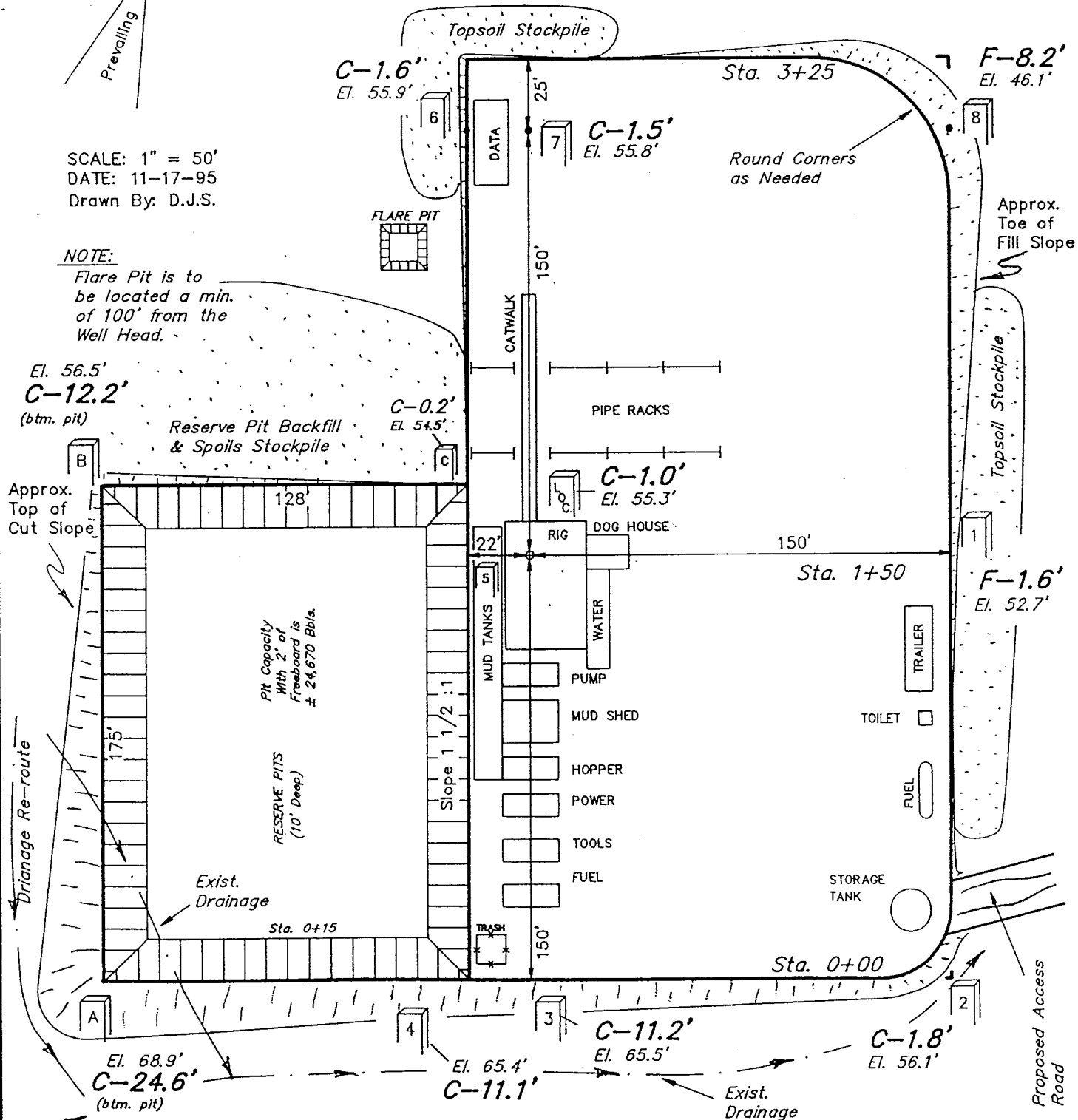
JOHN CHASEL UTE #3-6A2
SECTION 6, T1S, R2W, U.S.B.&M.
660' FSL 1400' FEL



SCALE: 1" = 50'
DATE: 11-17-95
Drawn By: D.J.S.

NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.



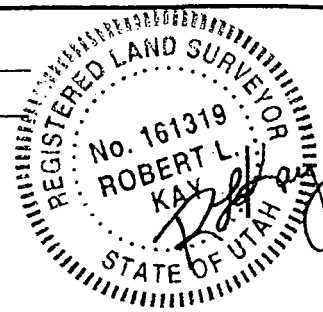
Elev. Ungraded Ground at Location Stake = 6455.3'
Elev. Graded Ground at Location Stake = 6554.3'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017

CHASEL ENERGY

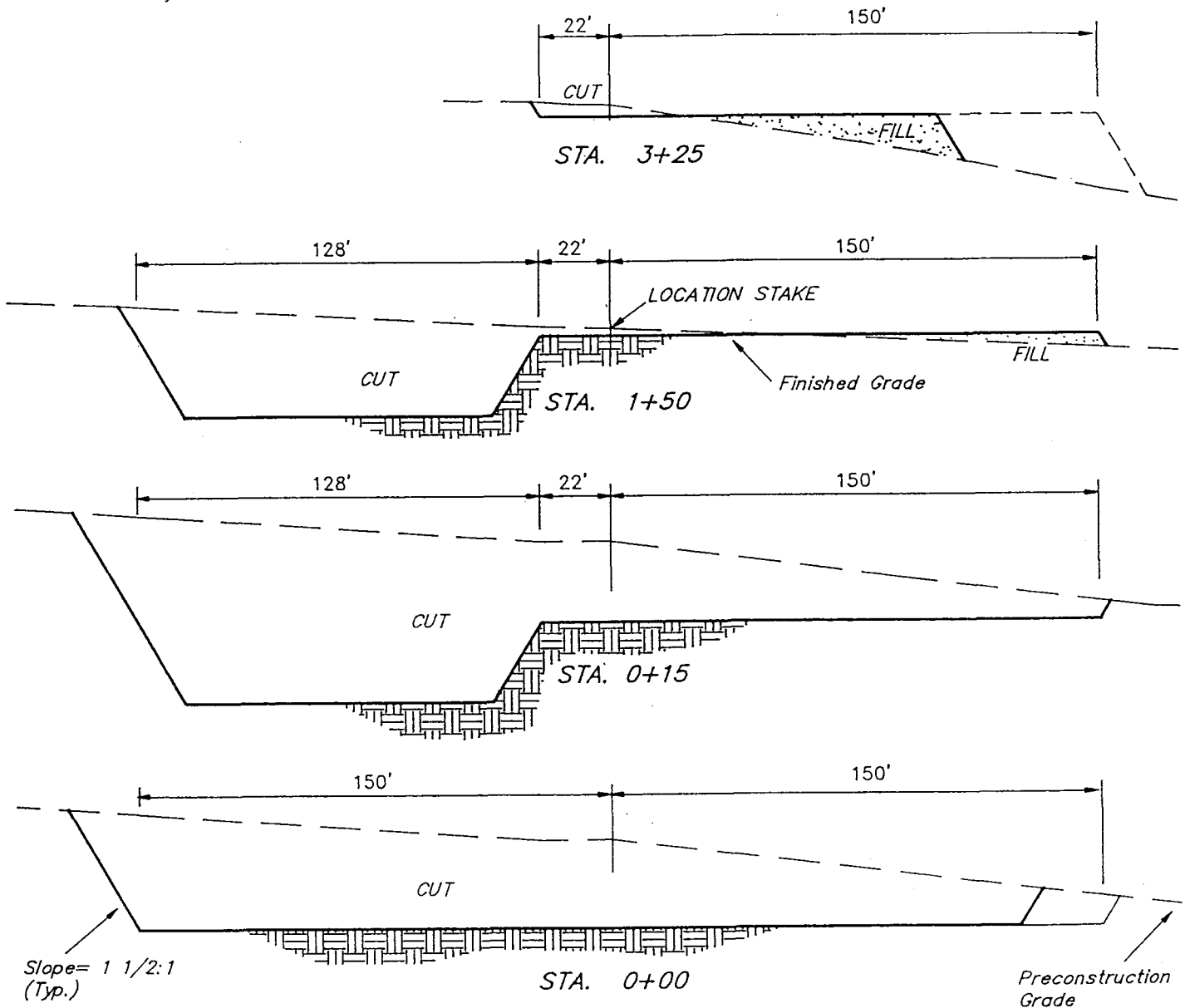
TYPICAL CROSS SECTIONS FOR

JOHN CHASEL UTE #3-6A2
SECTION 6, T1S, R2W, U.S.B.&M.
660' FSL 1400' FEL



1" = 20'
X-Section
Scale
1" = 50'

DATE: 11-17-95
Drawn By: D.J.S.



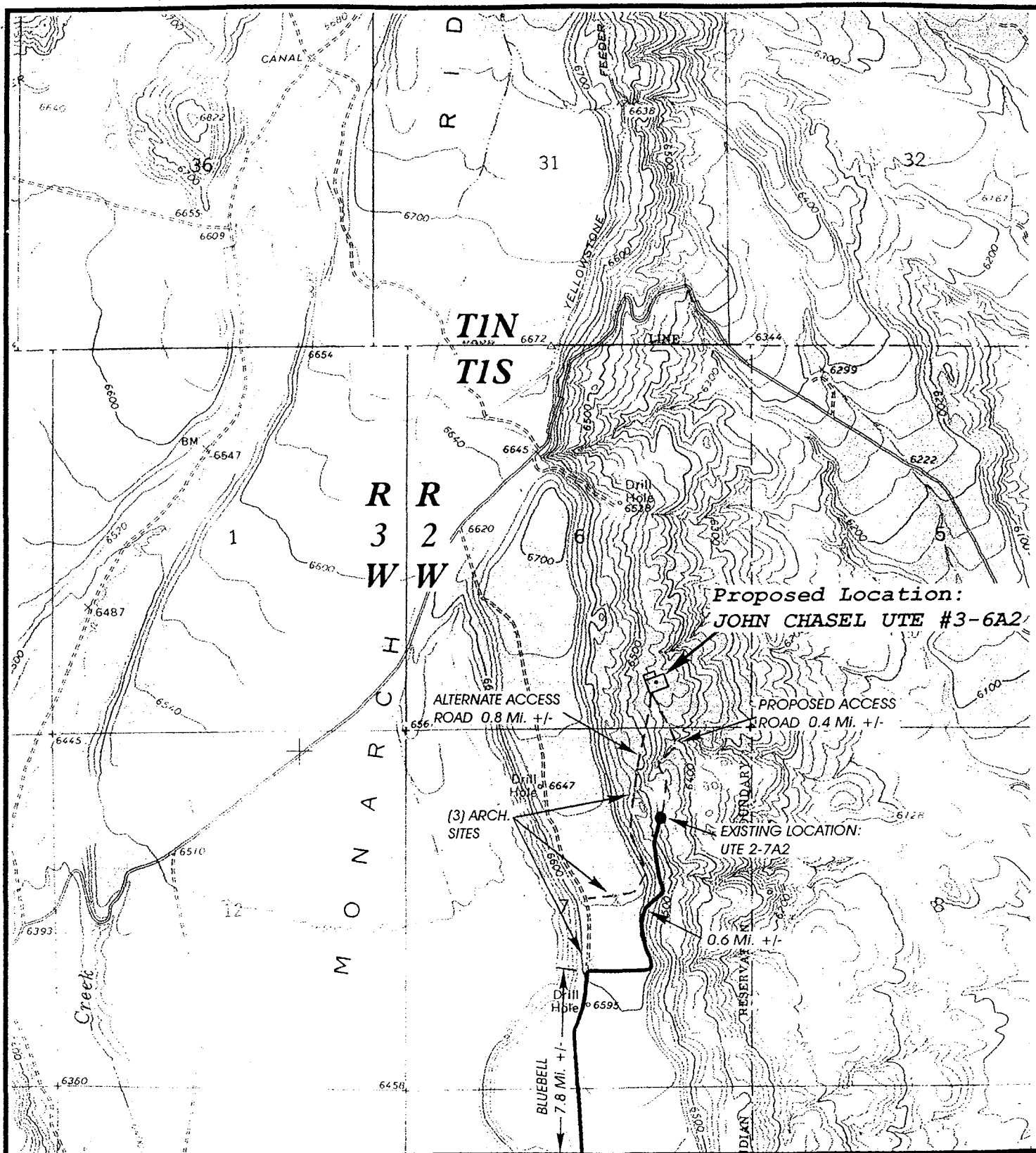
APPROXIMATE YARDAGES

(12") Topsoil Stripping = 2,780 Cu. Yds.
Remaining Location = 15,250 Cu. Yds.

TOTAL CUT = 18,030 CU.YDS.
FILL = 4,080 CU.YDS.

EXCESS MATERIAL AFTER
5% COMPACTION = 13,740 Cu. Yds.
Topsoil & Pit Backfill
(1/2 Pit Vol.) = 6,140 Cu. Yds.
EXCESS UNBALANCE
(After Rehabilitation) = 7,600 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017



UELS

TOPOGRAPHIC MAP "B"

DATE: 11-17-95
Drawn by: C.B.T.

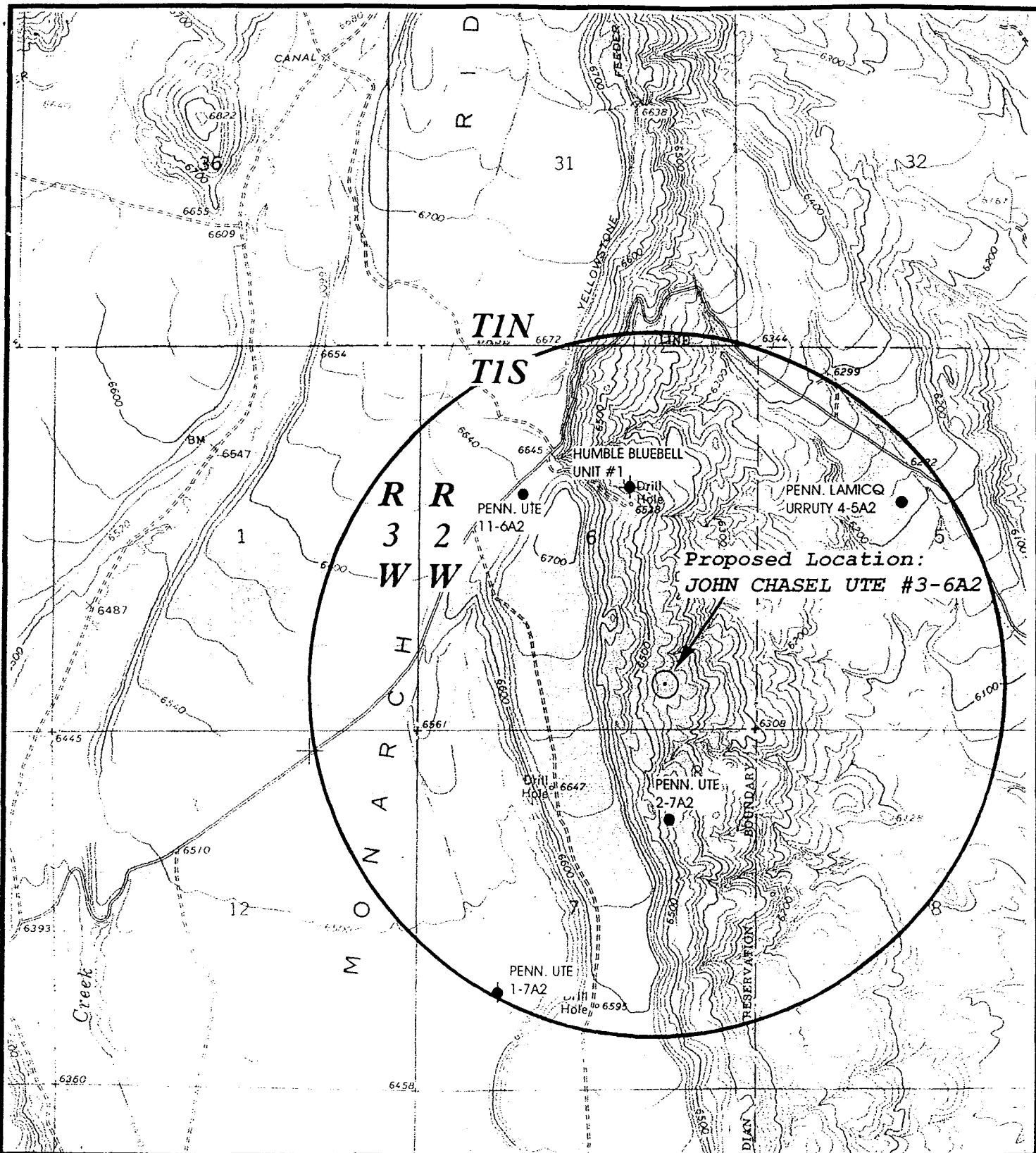
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SCALE: 1" = 2000'

CHASEL ENERGY

JOHN CHASEL UTE #3-6A2
SECTION 6, T1S, R2W, U.S.B.&M.
660' FSL 1400' FEL



LEGEND

- Water Wells
- Abandoned Wells
- Temporarily Abandoned Wells
- Disposal Wells
- Drilling Wells
- Producing Wells
- Shut-in Wells

U
E
L
S

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SCALE: 1" = 2000'

CHASEL ENERGY

JOHN CHASEL UTE #3-6A2
SECTION 6, T1S, R2W, U.S.B. & M.
T O P O G R A P H I C
M A P "C"

DATE: 11-17-95 Drawn by: C.B.T.



M A C

Metcalf Archaeological Consultants, Inc.

November 21, 1995

Mr. John D. Chasel
Chasel Energy
2285 Lucky John Drive
Park City, UT 84060

Dear Mr. Chasel:

Enclosed is Metcalf Archaeological Consultants, Inc. (MAC) cultural resource report covering the Ute #1-6A2 and Ute #3-6A2 well projects located on the Uintah & Ouray Indian Reservation in Duchesne County, Utah. Five isolated finds were discovered during the inventory of the #3-6A2 project. None of IFs are evaluated as eligible for the National Register. Cultural resource clearance is recommended for both locations as they were staked at the time of the inventory. However, prehistoric cultural materials may involve traditional cultural values of the Ute Indian Tribe. MAC's recommendation is subject to approval by the Uintah and Ouray Cultural Rights and Protection Department.

If you have any questions or need further assistance please do not hesitate to call.

Sincerely,


Michael D. Metcalf
Principal Investigator

MDM/sjm

cc: Betsie Chapoose, Cultural Rights & Protection
Ferron Secakuku, Energy and Minerals
Dale Hanberg, Superintendent--BIA, Ft. Duchesne
Amy Huslein, BIA, Phoenix
Blaine Phillips, BLM Vernal District



**Chasel Energy Ute #1-6A2 & #3-6A2 Well Pads,
Class III Inventory, Duchesne County, Utah**

Prepared by,
Sally J. Metcalf
Metcalf Archaeological Consultants, Inc.
P. O. Box 899
Eagle, CO 81632

Prepared for,
Chasel Energy
2285 Lucky John Drive
Park City, UT 84060

Utah State Project #U-95-MM-0642i

November 1995

INTRODUCTION

Metcalf Archaeological Consultants, Inc. (MAC), conducted a Class III cultural resource inventory of a proposed well pad project for the Chasel Ute #1-6A2 & #3-6A2 wells. This project consisted of two proposed well pad locations and two associated access routes. Ten acre blocks were center around both center stake locations resulting in a 15 acre block covering both locations. Approximately 6500 feet of access corridor was inventoried to a 100 foot total width. The ten acre blocks were surveyed by pedestrian transects spaced not more than 20 meters apart. The proposed access routes were inventoried using two transects, one on each side of the center line. Ute #1-6A2 is 660 FSL, 660 FEL in the C/SE/SE of Section 6, T1S, R2W, Uinta Meridian, Duchesne County, Utah (Figure 1). Ute #3-6A2 is 660 FSL 1400 FEL in the SW/SE/SE of the same section. The access road to #1-6A2 begins from an existing and improved road in the center of the northeast quarter of section 7 and proceeds north for approximately 1500 feet to the southern edge of well pad's ten acre block. The alternate access to #3-6A2 begins in the SW/NW/SE of section 7 at a point where improvement activities begin on an existing road. This alternate proposed access follows the existing road for 1600 feet then turns to the east for ca. 1200 feet. The route then turns back to the north for the remaining 2200 feet to the southern edge of the well pad's ten acre block. The total acreage covered for this project was 30 acres.

This project is located on property administered by the Ute Indian Tribe, Uintah and Ouray Agency, Fort Duchesne, Utah. The survey was conducted on November 14, 1995, by Dulaney Barclay who was accompanied by Leo Tapoof, tribal technician from the Energy and Minerals Resource Department. Fieldwork conformed to the stipulations of BLM Antiquities Permit #94-UT-54945 (expires 5/31/96) and the stipulations of the Ute Tribe Energy and Minerals Department, and Cultural Rights and Protection Office. All field notes and maps are on file at the MAC office in Eagle, Colorado.

STATEMENT OF OBJECTIVES

Following the mandated policies implementing the National Historic Preservation Act (NHPA [Public Law 89-665]), as amended, this project was inventoried to locate any cultural resources within the potential area of effect. Any discovered cultural resources were to be evaluated for eligibility to the National Register of Historic Places (Register). To be eligible for the Register, the resource must retain essential aspects of integrity and meet one or more of the Criteria for Eligibility (36 CFR §60.4). For archaeological resources, eligibility is typically recommended under Criterion d, on the basis of the information potential of surface artifacts and features, and intact sub-surface cultural deposits. Historical resources may be evaluated under any of the four Criteria on the basis of information potential or significant historic associations.

ENVIRONMENT

This project is located in the northern Uinta Basin about five miles northeast of Bluebell, Utah. This is an area of numerous small mesas and buttes and deeply incised drainages near the southern foothills of the Uinta Mountains. Both well pad locations are on benches on the steep east facing slope of a broad, gently sloping ridge (Monarch Ridge). Ute #1-6A2 is on a narrow flat bench while #3-6A2 is on a broader gently sloping bench. Several ephemeral and intermittent drainages flow east into the Uinta Basin and the Green River. Local vegetation is predominantly a Juniper Woodland with an understory of sparse grasses, cactus and sagebrush. There are a few open area of only sagebrush and grasses. Vegetation cover ranged from 10-15%. Ground surface visibility was very good to excellent.

There is very little soil development. Most of the project area is covered by bedrock and cobbles and boulders of sandstone that are rounded to subrounded. A few areas of light brown sand is found in the open sage flats on benches. Local bedrock is predominantly upper Eocene sandstone of the Uinta Formation, with local areas mantled with Quaternary gravel deposits (Hintze 1980).

FILES SEARCH

A files search was conducted through the Utah Division of State History on November 2, 1995. The file search revealed that there have been no previous studies nor are there any previously recorded sites within or near the current project area.

FIELD METHODS

The access corridors were inspected using parallel pedestrian transects, one on each side of the staked centerline. Each side of the centerline received total coverage amounting to 15 m (50 feet), for a total of 30 m (100 feet) survey corridor width. The 15 acre block, covering both proposed well locations, was surveyed using parallel transects spaced no more than 20 meters apart. Special attention was paid to areas of enhanced subsurface visibility, such as eroded areas, rodent backdirt piles, road cuts and animal trails.

If cultural material was located, the area was examined closely until all surface manifestations had been identified and the resource adequately defined. Appropriate isolated find forms and other documentation were then completed, including plotting the resource on the proper USGS quadrangle. A Brunton Pocket Transit and pacing was utilized for distances. No datums or permanent markings are left at cultural resource locations on Ute Tribal land.

RESULTS

This section is omitted from all non-regulatory copies.

RECOMMENDATIONS

Chasel Ute #1-6A2 and the associated access road will not impact any cultural material during construction. Cultural resource clearance is recommended for this well and the associated access road as staked at the time of survey.

Ute #3-6A2 has five isolates associated with it. Isolates #1 and #2 are sufficient distance from construction activities that they will not be impacted by the construction of this well pad and the alternate access road. It was possible to find reroutes around isolates #4 and #5 so they also will not be impacted by construction. However, IF #3 is very near the center line of the alternate access and it was not possible to find a reroute for this portion of the proposed access road. All but one isolate will be avoided during construction of the well pad and associated access road. IF #3 is a tested cobble of white quartzite and is within the road's area of construction and will be impacted during construction.

None of the five isolates are eligible for the NRHP. The construction of the Ute #3-6A2 will not adversely impact any significant cultural resources. Cultural resource clearance is recommended for this well and the alternate access road as staked at the time of survey. **This recommendation is subject to approval by the Uintah and Ouray Cultural Rights and Protection Department.**

REFERENCES CITED

Hintze, Lehi F.

1980 *Geologic Map of Utah*. Utah Geological and Mineral Survey, Salt Lake City. UT.

Appendix
Isolated Find Form
(Limited Distribution)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
John Chasel DBA Chasel Energy

3. Address and Telephone No.
2285 Lucky John Drive, Park City, Utah 84060

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL, 1400' FEL, Sec. 6, T.1 S., R. 2 W. USB & M

5. Lease Designation and Serial No.
14-20-H62-4652

6. If Indian, Allottee or Tribe Name
Ute Tribal

7. If Unit or CA, Agreement Designation
Ute Tribal

8. Well Name and No.
John Chasel Ute

9. API Well No.
3-6A2

10. Field and Pool, or Exploratory Area
BLUEBELL

11. County or Parish, State
Duchesne, Utah

43-013-31882

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

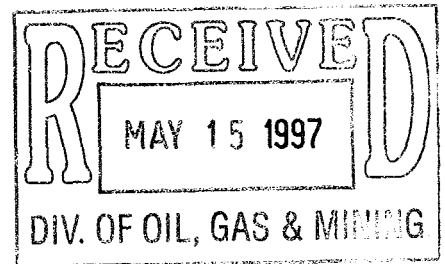
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other _____	<input checked="" type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Reference: Thirteen Point Plan Item 12 (c) - Water Production. Water produced will be hauled to the Dave Murray Disposal Pit, located in Section 12, T. 5 S., R. 19 E., Uintah, Co., Utah.

Water disposal is also accepted at the Denver-Chasel disposal well located in Section 5, T. 1 S. R. 1 W., referred to as the Neola Disposal well.



14. I hereby certify that the foregoing is true and correct

Signed *John Chasel* Title Geologist Date 13 May 1997

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 05/05/97

API NO. ASSIGNED: 43-013-31882

WELL NAME: JOHN CHASEL 3-6A2
OPERATOR: JOHN CHASEL ENERGY (N9680)

PROPOSED LOCATION:

SWSE 06 - T01S - R01W
SURFACE: 0660-FSL-1400-FEL
BOTTOM: 0660-FSL-1400-FEL
DUCHESNE COUNTY
BLUEBELL FIELD (065)

LEASE TYPE: IND
LEASE NUMBER: 14-20-H62-4652

PROPOSED PRODUCING FORMATION: GR-WS

INSPECT LOCATION BY: / /

TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Federal ☒ State ☐ Fee ☐
(Number _____)
☒ Potash (Y/N)
☒ Oil shale (Y/N)
☒ Water permit
(Number 11111111111111111111)
☒ RDCC Review (Y/N)
(Date: _____)

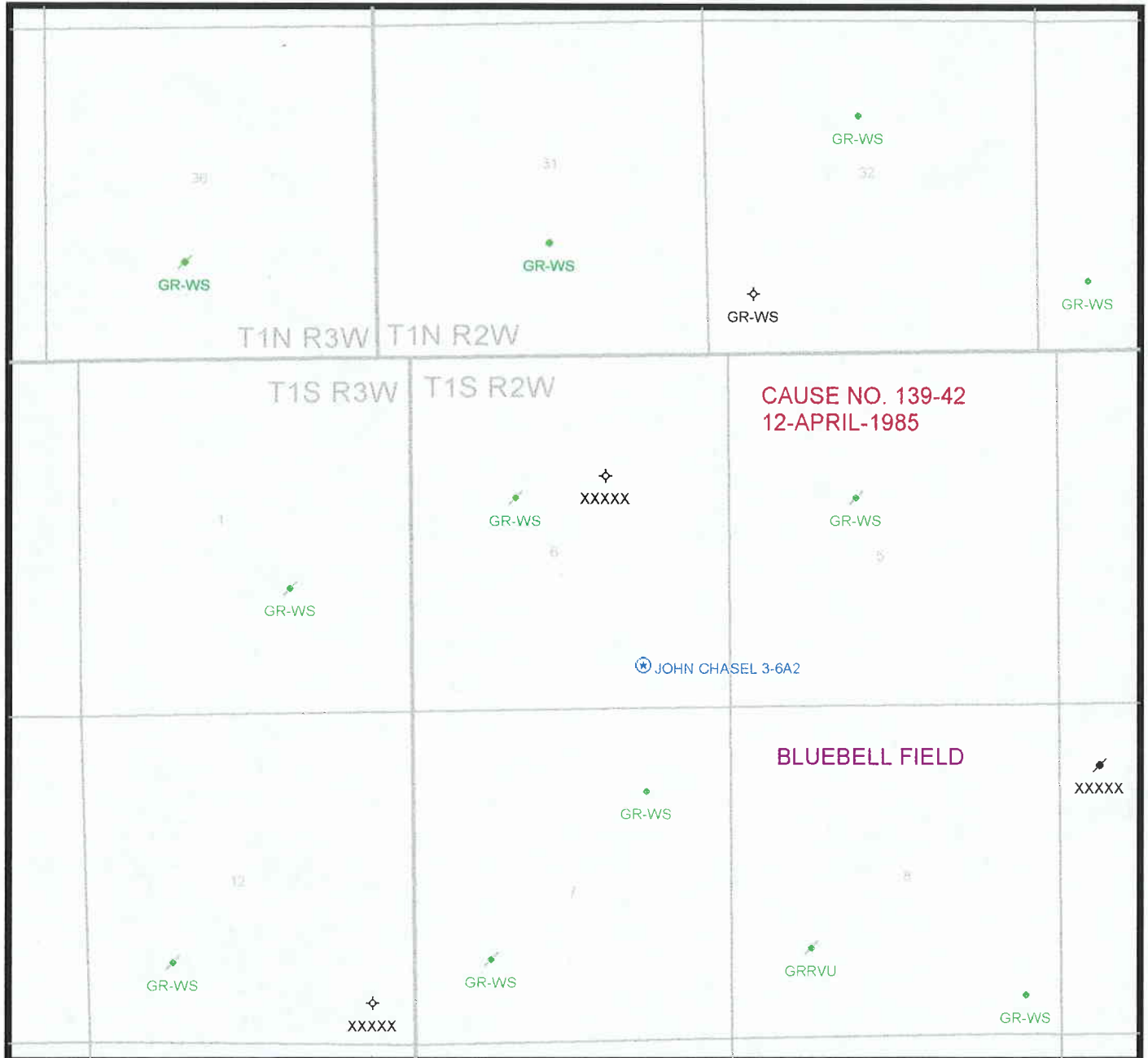
LOCATION AND SITING:

____ R649-2-3. Unit: _____
____ R649-3-2. General.
____ R649-3-3. Exception.
☒ Drilling Unit.
Board Cause no: 139 112
Date: 12-APRIL-85

COMMENTS: _____

STIPULATIONS: _____

OPERATOR: CHASEL ENERGY (N9680)
FIELD: BLUEBELL (065)
SEC, TWP, RNG: 6, T1S, R2W
COUNTY: DUCHESNE
CAUSE: 139-42 12-APR-1985



PREPARED:
DATE: 6-MAY-97



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

August 5, 1997

John Chasel Energy
2285 Lucky John Drive
Park City, Utah 84060

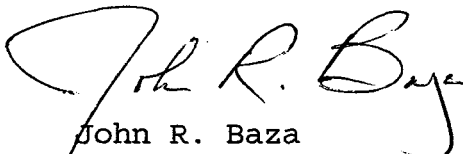
Re: John Chasel 3-6A2 Well, 660' FSL, 1400' FEL, SW SE, Sec. 6,
T. 1 S., R. 2 W., Duchesne County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-013-31882.

Sincerely,


John R. Baza
Associate Director

lwp

Enclosures

cc: Duchesne County Assessor
Bureau of Land Management, Vernal District Office

Operator: John Chasel Energy
Well Name & Number: John Chasel 3-6A2
API Number: 43-013-31882
Lease: 14-20-H62-4652
Location: SW SE Sec. 6 T. 1 S. R. 2 W.

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements

Notify the Division within 24 hours following spudding the well or commencing drilling operations. Contact Jimmie Thompson at (801)538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact John R. Baza (801)538-5334.

3. Reporting Requirements

All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

UNITED STATES GOVERNMENT

memorandum

DATE: July 23, 1997

REPLY TO: Acting
ATTN OF: Superintendent, Uintah & Ouray Agency, Ft. Duchesne, UT

RECEIVED

JUL 23 1997

SUBJECT: Concurrence for Application for Permit to Drill and Corridor ROW's

TO: Bureau of Land Management, Vernal District Office
Attn.: Minerals Division

We recommend approval of the Application for Permit to drill the subject wells.

TOWNSHIP 1 SOUTH, RANGE 2 WEST, USB&M
Section 6: SW/4SW/4, John Chasel 3-6A2Based on available information received on June 5, 1997, the proposed locations have been cleared of the following areas of environmental impact.

YES X	NO	Listed threatened or endangered species
YES X	NO	Critical wildlife habitat
YES X	NO	Archaeological or cultural resources
YES	NO	Air quality aspects (to be used only if project is in or adjacent to a Class I area of attainment)
YES	NO	Other (if necessary)

COMMENTS: The Ute Tribe Energy & Minerals is recommending the following criteria to be adhered during all phases of construction activities.

1. The Ute Tribe Energy and Minerals Department is to be notified 48 hours prior to construction, as a Tribal Technician is to monitor construction.
2. Access road to be granted with the following:
 - a) Access roads shall begin at existing well location Ute 2-7A2 to the Chasel Ute 3-6A2 well. (Map "b" will not be used)
 - b) Access road shall be 22 feet, except for areas of sharp turns, thereby allowing maximum 30 feet.
3. Mr. Chasel's personnel will assure the Ute Tribe that any/all contractors and any sub-contractors has acquired a Tribal Business License and have an access permits prior to construction.
4. All vehicular traffic, personnel movement, construction and restoration operations should be confined to areas examined, as referenced in report, and to the existing roadways and/or evaluated access routes.

Page 2
APD Concurrence

5. All personnel should refrain from collecting artifacts and from disturbing any significant cultural resources in the area.
6. The personnel from the Ute Tribe Energy & Minerals Department should be consulted should cultural remains from subsurface deposits be exposed or identified during construction.
7. All mitigative stipulations contained in the Bureau of Indian Affairs site specific Environmental Analysis report (EA) shall be strictly adhered, during and after construction.
8. Upon completion of Application for Right-of-Way, the Ute Tribe Energy & Minerals Dept. will be notified by Mr. Chasel, so that a Tribal Technician can verify Affidavit of Completion.

If you have any questions, please contact this office at (801) 722-4310.

Charles H. Cameron

SITE SPECIFIC ENVIRONMENTAL ANALYSIS

1.0 PROPOSED ACTION

Chasel Energy is proposing to drill the John Chasel Ute #3-6A2 oil well, and construct 0.4 mile of access roads.

2.0 ALTERNATIVE ACTIONS

- A. ALTERNATIVE CONSIDERED: The proposed action is the preferred alternative.
- B. NO ACTION: Under the no action alternative the proposed action would not be implemented.
- C. OTHER: NA

3.0 PERMITTEE/LOCATION

- A. Permittee- Petroglyph Operating Co., Inc.
- B. Date 6-2-97
- C. Well number- John Chasel Ute #3-6A2
- D. Right-of-way- Access road 0.4 mile
- E. Site location- SWSE, Section 6, T1S, R2W, USB&M.

4.0 SITE SPECIFIC SURVEY

A. SITE DESCRIPTION

- 1. Elevation (feet) 6455
- 2. Annual precipitation (inches)- 14-16
- 3. Topography- hills
- 4. Soil- The soil texture is (0 to 6") shallow loam with moderate permeability on sagebrush areas, and cobbly shallow loam on pinion juniper areas.

B. VEGETATION

- 1. Habitat type is upland pinion juniper.
- 2. Percent Ground Cover- estimated to be 60%.
- 3. Vegetation consists of approximately 25% grasses, 25% shrubs, 10% forbs, 40% trees. The main variety of grasses are squirrel tail, Indian ricegrass, poa, needle & thread, dryland sedge. Forbs are astragalus, mustard, lambs quarter, globemallow, loupine, & annuals. Shrubs consist of black sagebrush, big sagebrush, prickly pear, Trees consist of pinion pine & Utah juniper.
- 4. Observed Threatened & Endangered species: None.

FAX TRANSMITTAL

of pages 10

To: <i>Chris Darling</i> Dept./Agency: <i>BIA-2000</i> Fax: <i>781-4410</i>	From: <i>BIA-2000</i> Phone #: Fax #: GENERAL SERVICES ADMINISTRATION 5008-101 NSN 7540-01-317-7568
---	--

5. Potential For Threatened & Endangered species: Slight
7. Observed Noxious Weeds: None
8. AFFECTED ENVIRONMENTAL
 1. There are no surface damages as a result of the initial survey.

4.1 WILDLIFE

A. POTENTIAL SITE UTILIZATION

1. Big Game-The area is used throughout the year by mule deer, elk, and antelope. (elk & mule deer use this area most during winter months.)
2. Small Game-The area is used by cottontail rabbit.
3. Raptor- Various species of raptors use this area for habitat. Raptors which are observed using the area are Golden eagles, Redtail hawk, & Kestrel.
5. Non-Game Wildlife- Animal species which have been observed using this area are black tail jack rabbit, coyote, fox, badger, and various species of reptiles, and song birds.
6. Threatened & Endangered Species: No T&E species are reported using the area of this project.

4.2 PRESENT SITE USE

A. USAGE

	<u>acres</u>
Rangeland	3.51
Irrigable land	0
Woodland	0
Non-Irrigable land	3.51
Commercial timber	0
Floodplain	0
Wetland	0
Riparian	0
Other:	0

4.3 CULTURAL RESOURCES

A. CULTURAL SURVEY

Cultural resource surveys were performed by Metcalf Archaeological Consultants, Inc. in November 1995.

5.0 ENVIRONMENTAL IMPACTS

A. SURFACE ALTERATIONS

	<u>acres</u>
1. Access road	1.45
2. Well site	2.06
3. Pipeline right-of-way	0.00
4. Corridor right-of-way	0.00
5. Total area disturbed	3.51

B. VEGETATION/LANDSCAPE

1. Production loss (AUM's)/year: 0.23
2. Permanent scar on landscape: Yes x No
3. Potential impacts to Threatened & Endangered species:
Yes No X

C. SOIL/RANGE/WATERSHED

There will be an increase in soil erosion from wind and water. There will not be any possible point source of water pollution.

The area is presently used as rangeland. At the present time the Ute Tribal Livestock has grazing permits for the area. This project will reduce livestock grazing by approximately 0.23 AUM/year.

The area is not used as irrigated cropland and a water right has not been designated for the area.

D. WILDLIFE/THREATENED & ENDANGERED SPECIES

There will be an insignificant reduction of wildlife habitat and grazing for livestock. There will also be an increase in wildlife disturbance and poaching resulting from the additional traffic and people using the area.

There are no known impacts to Threatened or Endangered species. The area is important summer & winter range for big game.

6.0 MITIGATION STIPULATIONS

A. VEGETATION/LANDSCAPE

1. Before the site is abandoned the company will be required to restore the well site and right-of-ways to near their original state. The disturbed area will be reseeded with desirable perennial vegetation.
2. Noxious weeds will be controlled on the well site and rights-of-way. If noxious weeds spread from the project area onto adjoining land, the company

will also be responsible for their control.

B. SOILS/RANGE/WATERSHEDS

1. Soil erosion will be mitigated by reseeding all disturbed areas.

2. ACCESS ROAD RIGHT-OF-WAY

The access road shall begin at the existing well location Ute 2-7A2 and shall be constructed to the well location Ute #3-6A2. The alternate access road to the Ute #3-6A2, shown on Map "B", shall not be constructed.

A 30 foot wide right-of-way will be used for the access road. The constructed travel width of the access road shall be limited to 22 feet, except it may be wider where sharp curves, or intersections are required.

3. DRILLING SYSTEM

An open drilling system will be used. Reserve pits will be lined with impervious synthetic liners. Prior to backfilling the reserve pit all fluids will be pumped from the pit into trucks and hauled to approved disposal sites. When the reserve pits are backfilled the surplus oil and mud, etc will be buried a minimum of 3.0 feet below the surface of the soil.

4. PRODUCTION SYSTEM

A closed production system will be used. Production fluids will be contained in leak proof tanks. All reduction fluids will be disposed of at approved disposal sites. The indiscriminate dumping of production fluids on roads, wellsites or other areas will not be allowed.

5. FIREWOOD

Firewood shall be stockpiled at convenient locations near the wellsite and along the access road.

C. WILDLIFE/VEGETATION/THREATENED & ENDANGERED SPECIES

Because there are no known T&E species using this area, no stipulations have been provided for their protection.

D. CULTURAL RESOURCES

Cultural resource surveys were performed by Metcalf Archaeological Consultants, Inc. in November 1995. Cultural resource clearance is recommended.

E. UTE TRIBAL REGULATIONS

(1). Prior to commencing surveys or construction on the U&O Indian Reservation the operator, and any of its sub-contractors, shall acquire access permits and business permits from the Ute Indian Tribe.

(2). Prior to the commencement of construction, the operator shall notify the Ute Tribal Department of Energy and Minerals of the date construction shall begin.

7.0 UNAVOIDABLE ADVERSE IMPACTS

A. SURFACE ALTERATIONS

None of the adverse impacts listed in 5.0 above can be avoided in a practical manner except those which are mitigated in item 6.0 above and those specified in BLM's 13 point surface use plan.

B. RELATIONSHIP BETWEEN SHORT-TERM USE OF THE ENVIRONMENT VS LONG TERM PRODUCTIVITY.

1. Short Term: (Estimated 20 years) A total loss of production on the land and the associated environmental impacts will continue to influence the surrounding area for the productive life of the well.
2. Long Term: Standard policies provide for rehabilitation of wellsite and rights-of-ways. After the land is rehabilitated, it is not expected to return to its original productive capability. Normally, there will be a permanent scar left on the landscape.

C. IRREVERSIBLE AND IRRETRIEVABLE COMMITMENT

Oil and Gas are non-renewable resources, once they have been removed they can never be replaced.

8.0 CUMULATIVE IMPACTS

A. FULL DEVELOPMENT

Each additional well drilled for development increases the soil erosion potential, reduces wildlife habitat and grazing, increases potential soil and geologic pollution resulting from salt loading, reduces the soil's potential to recover, and increases the potential of water pollution from produced waters and hydro-carbons. Therefore, strict conformance with the mitigation measures and recommendations in this document is emphasized to minimize the adverse environmental impacts.

9.0 NEPA COMPLIANCE

All essential surface protection and rehabilitation requirements are specified above.

11.0 RECOMMENDATIONS

A. APPROVAL/DISAPPROVAL

We recommend approval of the proposed action as outlined in item 1.0 above.

6-5-97

Date

Dale S. Hanberg
Representative - BIA Land
Operations, Uintah and Ouray
Agency

12.0 DECLARATION

A. APPROVAL

It has been determined that the proposed action is not a federal action significantly affecting the quality of the environment as it would require the preparation of an environmental impact statement in accordance with Section 102 (2) (c) of the National Environmental Policy Act of 1969 (42 USC 4331) (2) (C).

June 5, 1997
Date

Acting Harry Orr
Superintendent,
Uintah and Ouray Agency

14.0 CONSULTATION

A. REPRESENTATIVES/ORGANIZATION

Dale Hanberg- BIA
Greg Darlington-BLM
Cecil Cornpeach-UTEM
Smokey Payne-Chasel Energy
Paul Wills-Chasel Energy

B:\EACHsl3.6A2

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☐

OTHER

SINGLE
ZONE ☐MULTIPLE
ZONE ☒

2. NAME OF OPERATOR

John Chasel DBA Chasel Energy

3. ADDRESS AND TELEPHONE NO.

2285 Lucky John Drive, Park City, Utah 84060

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)

At surface

660' FSL, 1400' FEL, Sec. 6, T.1 S., R.2 W.

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 8.8 miles Northeast of Bluebell

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

2,393'

19. PROPOSED DEPTH

16,000'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6455' GR.

22. APPROX. DATE WORK WILL START*

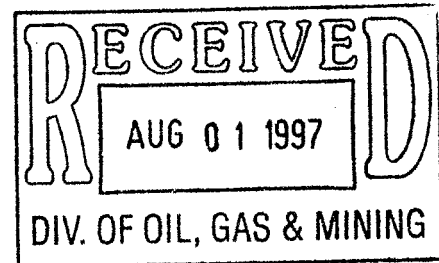
June 5, 1997

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 1/4"	10 3/4"	40.5#	2500'	1900 Sks.
9 7/8"	7 5/8"	26.4 & 29.7#	12,500'	2,200 Sks.
6 3/4"	5 1/2"	20#	16,000'	1,200 Sks.

John Chasel DBA Chasel Energy is bonded by Lumberman's Mutual Casualty Company to cover Ute Tribal Lease in Section 6, T.1 S., R. 2 W.

This well is a Green River-Wasatch Test in the Bluebell field of Duchesne County, Utah.



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

TITLE Owner & Operator

DATE April 30, 1997

(This space for Federal or State office use)

CONDITIONS OF APPROVAL ATTACHED
TO OPERATOR'S COPY

PERMIT NO.

NOTICE OF APPROVAL

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED

TITLE

Assistant Field Manager
Mineral Resources

DATE

JUL 28 1997

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Chasel Energy.

Well Name & Number: Ute Tribal 3-6A2

API Number: 43-013-31882

Lease Number: 14-20-H62-4652

Location: SWSE Sec. 03 T. 1 S R. 2W

NOTIFICATION REQUIREMENTS

- Location Construction - at least forty-eight (48) hours prior to construction of location and access roads.
- Location Completion - prior to moving on the drilling rig.
- Spud Notice - at least twenty-four (24) hours prior to spudding the well.
- Casing String and Cementing - at least twenty-four (24) hours prior to running casing and cementing all casing strings.
- BOP and Related Equipment Tests - at least twenty-four (24) hours prior to initiating pressure tests.
- First Production Notice - within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to Tim Ingwell of this office **prior to running the next casing string or requesting plugging orders.** Copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

2500'-12500'

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **3M** system and individual components shall be operable as designed.

12500'-TD'

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **5M** system and individual components shall be operable as designed.

Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

3. Casing Program and Auxiliary Equipment

If conductor pipe is set it will be cemented to surface. If drive pipe is used it will be pulled prior to cementing surface casing.

The surface casing **shall** be cemented back to surface either during the primary cement job or by remedial cementing.

In addition, to the cementing proposal for the surface casing, a minimum of 200 ft. of Class G neat cement shall be placed from 200 ft. to surface in the 10 3/4 in. X 14 1/4 in. annulus.

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the base of the Usable Water Zone identified at \pm 3670 ft.. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) will be run from the production casing shoe to \pm 3470 ft. and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. One copy of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

The Vernal District Office shall be notified, during regular work hours (7:45 a.m.-4:30 p.m., Monday through Friday except holidays), at least 24 hours prior to spudding the well.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9. d.), and shall be submitted to the appropriate District Office within sixty (60) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b. 4).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted following initial installation and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approval or notification is necessary, please contact one of the following individuals:

Wayne P. Bankert (801) 789-4170
Petroleum Engineer

Ed Forsman (801) 789-7077
Petroleum Engineer

Jerry Kenczka (801) 789-1190
Petroleum Engineer

BLM FAX Machine (801) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

- Unused fracturing fluids or acids
- Gas plant cooling tower cleaning wastes
- Painting wastes
- Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids
- Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste
- Refinery wastes
- Liquid and solid wastes generated by crude oil and tank bottom reclaimers
- Used equipment lubrication oils
- Waste compressor oil, filters, and blowdown
- Used hydraulic fluids
- Waste solvents
- Waste in transportation pipeline-related pits
- Caustic or acid cleaners
- Boiler cleaning wastes
- Boiler refractory bricks
- Incinerator ash
- Laboratory wastes
- Sanitary wastes
- Pesticide wastes
- Radioactive tracer wastes
- Drums, insulation and miscellaneous solids.

SURFACE CONDITIONS OF APPROVAL

The Ute Tribe Energy and Mineral Department is to be notified 48 hours prior to construction. A Tribal Technician is to monitor construction.

Thirty (30) foot wide Rights-Of-Way (ROWs) corridor shall be granted for the following:

Access roads which shall have constructed travel width limited to 22 feet, except as granted for sharp curves or intersections or where deep cuts are required for road construction.

Access roads shall begin at existing well location Ute 2-7A2 for new construction to the proposed location. This route was evaluated at the June 2, 1997 onsite and had been proposed at the December 14, 1995 original meeting. This route is designated as the proposed access in the present APD and would be about 2200 feet in length.

Surface pipelines will be constructed to lay on the soil surface, and the ROW for the pipeline will not be bladed or cleared of vegetation.

Chasel Energy will assure the Ute Tribe that any/all contractors and subcontractors have acquired a Tribal Business License and have access permits prior to construction.

All vehicular traffic, personnel movement, construction, and restoration activities shall be confined to the areas examined, as referenced in report, and to the existing roadways and/or evaluated access routes.

All personnel should refrain from collecting artifacts and from disturbing any significant cultural resources in the area.

The Ute Tribe Energy & Mineral Department shall be consulted if cultural remains from subsurface deposits are exposed or identified during construction.

Before the site is abandoned, the company will be required to restore the well site and right-of-ways to near their original state. The disturbed areas will be reseeded with desirable perennial vegetation.

Noxious weeds will be controlled on the well site and rights-of-way. If noxious weeds spread from the project area onto adjoining land, the company will also be responsible for their control.

Reserve pits will be lined with impervious synthetic liners.

A closed production system will be used. Production fluids will be contained in leak proof tanks. All production fluids will be disposed of at approved disposal sites. The indiscriminate dumping of production fluids on roads, wellsites or other areas will not be allowed.

Firewood shall be stockpiled at convenient locations near the wellsite and along the access road.

Upon completion of the project approved under this Application for Permit to Drill and Right-of-way, the Ute Tribe Energy & Minerals Resources Department will be notified by Chasel Energy so that a Tribal Technician can verify Affidavit of Completion's.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☐

OTHER

SINGLE
ZONE ☐MULTIPLE
ZONE ☒

2. NAME OF OPERATOR

John Chasel DBA Chasel Energy

3. ADDRESS AND TELEPHONE NO.

2285 Lucky John Drive, Park City, Utah 84060

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)

At surface

660' FSL, 1400' FEL, Sec. 6, T.1 S., R.2 W.

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 8.8 miles Northeast of Bluebell

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

640

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

2,393'

19. PROPOSED DEPTH

16,000'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6455' GR.

22. APPROX. DATE WORK WILL START*

June 5, 1997

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 1/4"	10 3/4"	40.5#	2500'	1900 Sks.
9 7/8"	7 5/8"	26.4 & 29.7#	12,500'	2,200 Sks.
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John Chasel DBA Chasel Energy is bonded by Lumberman's Mutual Casualty Company to cover Ute Tribal Lease in Section 6, T.1 S., R. 2 W.

This well is a Green River-Wasatch Test in the Bluebell field of Duchesne County, Utah.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

TITLE Owner & Operator

DATE April 30, 1997

(This space for Federal or State office use)

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TO OPERATOR'S COPY

PERMIT NO.

NOTICE OF APPROVAL

APPROVAL DATE

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CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

Assistant Field Manager
Mineral Resources

DATE

JUL 28 1997

*See Instructions On Reverse Side

44080-7m-258

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

EIGHT POINT PLAN

JOHN CHASEL UTE 3-6A2
SW/SE SEC. 6 T1S R2W
DUCHESNE COUNTY, UTAH

1.&2 ESTIMATED TOPS & ANTICIPATED OIL,GAS & WATER ZONES

<u>FORMATION</u>	<u>DEPTH</u>	<u>TYPE ZONES</u>	<u>MAX. PRESSURE</u>
Duchesne Rvr	Surface	Fresh Water	
Uinta Fm.	3430'	Fresh Water	
Green River	7800'	OIL & GAS	3500
H. marker	10790'	OIL & GAS	
Black Sh.	11300'	OIL & GAS	5000
Wasatch Tran.	11700'	OIL & GAS	5000
Wasatch Fm.	12150'	OIL & GAS	6000
Wasatch B	13470'	OIL & GAS	6000
EST. TD	16,000'	Anticipated BHP 6000 PSI	

3. PRESSURE CONTROL EQUIPMENT: BOP Schematic Diagram attached

4. CASING PROGRAM:

										<u>MIN. SAFETY FACTOR</u>
<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>COLLAPSE</u>	<u>BURST</u>	<u>TENSL.</u>	
14 1/4"	0-2500'	2500'	10 3/4"	40.5	J55	8 ROUND	1580#	3130#	629M	
9 7/8"	0-12500'	12500'	7 5/8"	26.4	N80	8 ROUND	3400#	6020#	602N	
				29.7	S95	8 ROUND	7150#	8180#	811N	
6 3/4"	12300-16000'	3700'	5.5"	20.0	P110	CS HYDR	11080#	12640#	641N	

All casing will be new or inspected

5. MUD PROGRAM

<u>INTERVAL</u>	<u>MUD TYPE</u>	
0-8000'	Watergel	8.5#
8000-12000'	Low Solids	9.5#
12000-16000'	Low Solids	13.8#

Lost circulation zones not anticipated

Sufficient mud inventory will be maintained on location during drilling to handle any adverse conditions that may arise.

EIGHT POINT PLAN

JOHN CHASEL UTE 3-6A2
SW/SE SEC. 6 T1S R2W
DUCHESNE COUNTY, UTAH

6. VARIANCE REQUESTS:

No variance to regulations is requested.

7. EVALUATION PROGRAM:

Logs: SCHLUMBERGER WIRELINE

DIL-SFL 2500' - 16000'

CNL-FDL 6000' - 16000'

FW SONIC 6000' - 16000'

MUDLOG 6000' - 16000'

Additional logs as needed to evaluate formation 6000-TD

Cores: None Programmed

DST's: None Programmed

Completion: To be submitted at a later date.

8. ABNORMAL CONDITIONS:

None anticipated.

9. STANDARD REQUIRED EQUIPMENT:

A. Choke Manifold

B. Gas Buster

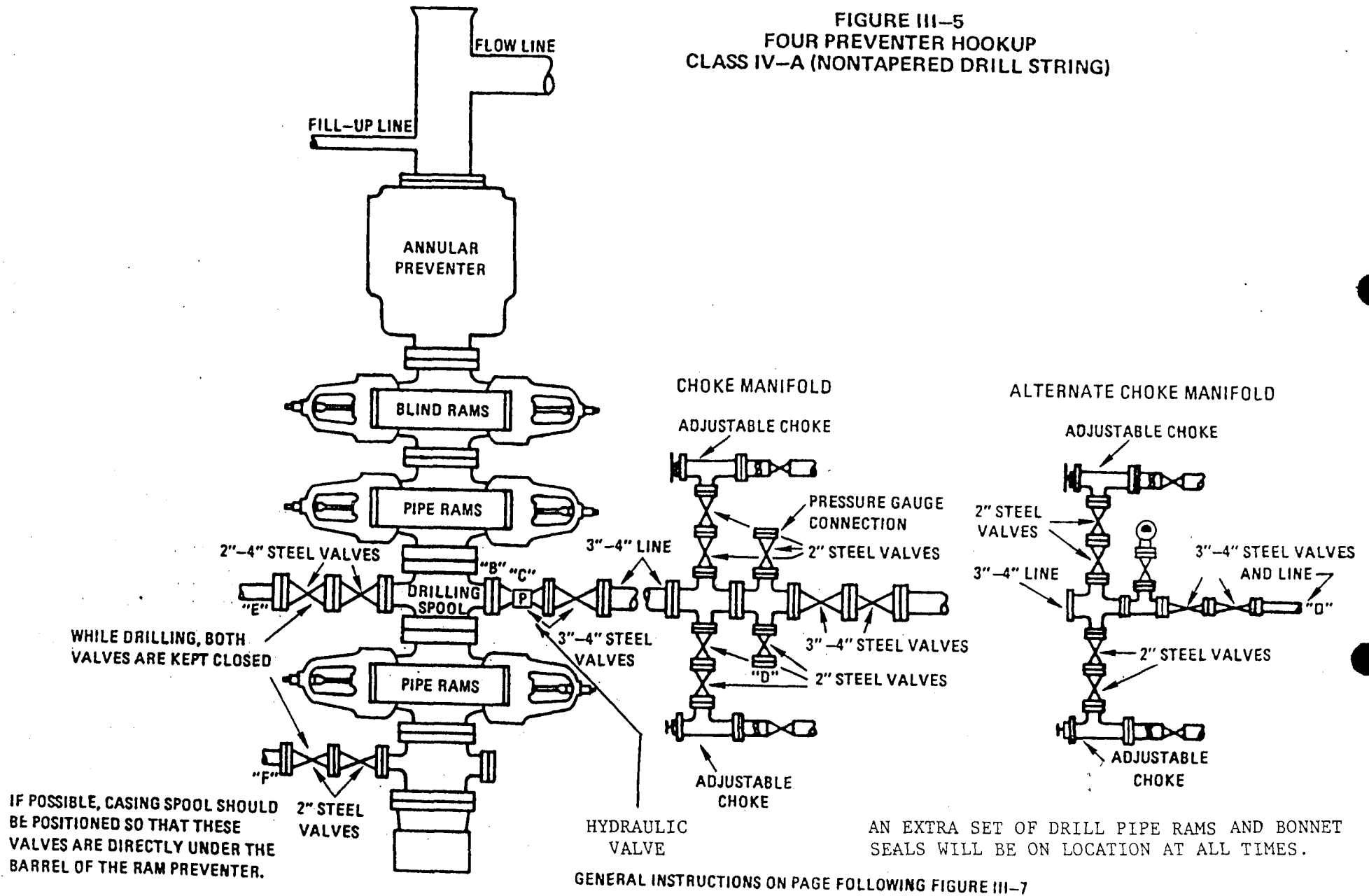
C. Visual Mud Monitoring

10. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

(Attachment: BOP Schematic Diagram)

FIGURE III-5
FOUR PREVENTER HOOKUP
CLASS IV-A (NONTAPERED DRILL STRING)



DRILLING PROCEEDURE

Field BLUEBELL Well John Chasel Ute 3-6A2
 Location 660' FSL 1400' FEL., Section 6, T. 1 S., R. 2 W. USB & M
 Drill X Deepen Elevation: GR 6455' KB Total Depth 16,000'
 Non-Oper. Interests

1. Casing Program (~~XXXXXX~~ N = New)

	Surface	O/N	Intermediate	O/N	Oil String/Liner	O/N
Hole Size	<u>14 1/4"</u>		<u>9 7/8"</u>		<u>6 3/4"</u>	
Pipe Size	<u>10 3/4"</u>		<u>7 5/8"</u>		<u>5 1/2"</u>	
Grade	<u>J55</u>	<u>N</u>	<u>N80 & S95</u>	<u>N</u>	<u>P110</u>	<u>N</u>
Weight	<u>40.5#</u>		<u>26.4# & 29.7#</u>		<u>20#</u>	
Depth	<u>2500'</u>		<u>12,500'</u>		<u>16,000'</u>	
Cement	<u>1900 sks</u>		<u>2,200 sks</u>		<u>1200 sks</u>	
Time WOC	<u>12 hrs</u>		<u>24 hrs</u>		<u>24 hrs</u>	
Casing Test	<u>3000 PSI</u>		<u>5000 PSI</u>		<u>5000 PSI</u>	
BOP #1	<u>1-10 Series</u>		<u>900 Shafer Doublegate</u>			
Remarks #2	<u>1-10 Series</u>		<u>900 Hydrill</u>			

2. Mud Program

Depth Interval	Type	Weight	Viscosity	Water Loss
<u>Surface to 8000'</u>	<u>Watergel</u>	<u>8.5#</u>	<u>30-35</u>	<u>-----</u>
<u>8000 - 12000'</u>	<u>Low Solids</u>	<u>9.5#</u>	<u>32-36</u>	<u>10-15</u>
<u>12000-16000'</u>	<u>Low Solids</u>	<u>13.8# Max</u>	<u>35-40</u>	<u>10-12</u>

3. Logging Program

Surface/Depth	<u>1 Run</u>	<u>NONE</u>
Intermediate Depth	<u>2500' - TD: DIL-SFL; 6000' - TD: Comp. Neut.-For.Den.</u>	
Oil String Depth	<u>Full Wave Sonic, MudLog, Cyberlook.</u>	
Total Depth	<u>16,000'</u>	

4. Mud Logging Unit Rocky Mountain Geo-Engineering

Scales 5" = 100' to 6000' to 16000' to

5. Coring & Testing Program

Core NONE DST NONE Formation Approx. Depth Length
 Core NONE DST NONE

6. Objectives & Significant Tops: Objectives: Primary: Wasatch & Wasatch Trs.

Formation or Zone	Approx. Depth	Formation or Zone	Approx. Depth
<u>Duchesne River Fm.</u>	<u>Surface</u>	<u>Wasatch Trans.</u>	<u>11700'</u>
<u>Uinta Fm.</u>	<u>3430'</u>	<u>Wasatch Fm.</u>	<u>12150'</u>
<u>Green River Fm.</u>	<u>7800'</u>	<u>Wasatch "B"</u>	<u>13470'</u>
<u>Green River H</u>	<u>10790'</u>		
<u>Green River Blk. Sh.</u>	<u>11300'</u>		

7. Anticipated Bottom Hole Pressure: 6,000 PSI

8. Completion 7 Remarks: Completion prognosis will be prepared following evaluation of drilling and logging of the John Chasel Ute 3-6A2 Test.

Compiled By: Approved By: *[Signature]*

Following is an example of a SELF-CERTIFICATION STATEMENT

Please be advised that John Chasel is considered to be the operator of Well No. 3-6A2 ;
SW 1/4 SE 1/4 Section 6, Township 1S, Range 2W; Lease 14-20-H62-4652 Duchesne, UT
County, UT; and is responsible under the terms and conditions of the lease for the operations
conducted upon the leased lands. Bond coverage is provided by Lumberman's Mutual.
Casualty Co.

A handwritten signature in cursive script, appearing to read "John Chasel", written over a horizontal line.

THIRTEEN POINT PLAN

GENERAL Requirements for working on Ute Tribal Lands

1. All operators, subcontractors, vendors, and their employees or agents will be confined to established roads and wellsite.
2. All operators, subcontractors, vendors and their employees or agents shall not carry firearms or other weapons.
3. No alcoholic beverages or drugs shall be permitted while working on the reservation.
4. A cultural resource clearance has been granted by the Archeological-Environmental Research Corporation.
5. A wood permit will be obtained from the Forestry Department of the BIA before any firewood is removed.

1. Existing Roads - See Location Map

- A. Wellsite: 660' FSL, 1400' FEL, (SW,SE Sec. 6) T1S R2W
- B. Travel 1.0 miles east of Bluebell, Utah and turn north (left) on graded road for 1.3 miles. Then turn east (right) on graded oil field road and travel 3.7 miles crossing Dry Gulch Creek to N/S intersection. Then turn north (left) on graded oil filed road for 1.8 miles. Turn right (east) on oil well service road for Pennzoil Ute 2-7A2 well. This road travels east then northerly for 0.6 miles to the Ute 2-7A2 location and northward past the location for 0.4 miles with new road to the well site.
- C. Roads: Existing County road from Bluebell is hardtopped with asphalt. All other roads are graded, many with fair gravel topping.
- D. Other existing roads as marked on Topo map.
- E. Existing roads will be maintained by the county. The well service road to the Ute 2-7A2 well is maintained by Pennzoil. The new access road will be built to BLM specifications and maintained as required, for all weather use, by the operator. (See engineer survey plat).
- A. General:

- (1) The BIA and Vernal District BLM will be notified 48 hours prior to commencing work on the Ute Tribal Lands.
- (2) A pile of stones and a post is present 660' south and 1400' east of the wellsite at the SE corner of Section 6.
- (3) The dirt contractor will be furnished a copy of this Surface Use Plan, and along with any additional BLM or BIA stipulations, prior to the work.
- (4) Trees: There are no trees on the access route or location.
- (5) All artifacts found on Tribal Lands shall be left in place and the BIA promptly notified.
- (6) The top 9-10 inches of topsoil will be removed and stockpiled on the NE corner of the location.
- (7) The reserve pit will be lined with native clay materials and water proofed.

B. Planned Access Roads:

2100 feet of new access road will be required. The subject road will be built to BLM specifications (from figure 6, p 26, "Surface Operating Standards for Oil & Gas Exploration and Development"}, as follows:

- (1) Width: 16' at crown:
Total disturbed Width 30'.
- (2) Maximum Grades: 3% Maximum.
- (3) Turnouts: None required.
- (4) Drainage: Borrow pit on east side.
- (5) Culverts:
a. 18" as needed.
- (6) Surface material: The roads surface will be covered with 6 inches of 4" roadbase and 2" inches of 1 1/2" gravel topping as required for traction and erosion control.
- (7) Gates/Cattleguards:
No fences will be crossed from the Ute 2-7A2

3. Location of Existing Wells: - See Topo Map

Wells within one mile radius:

- (1) Water wells: None
- (2) Abandoned Oil Wells: Humble, Bluebell #1 located approximately 2600' NNW of location.
- (3) Temporarily Abandoned Wells: None.
- (4) Disposal Wells: None.
- (5) Drilling Wells: None.
- (6) Producing Wells:
 - Quinex Ute 11-6A2
 - Pennzoil Ute 2-7A2
 - Pennzoil Lamique 4-5A2
- (7) Shut in Wells: None.
- (8) Injection Wells: None.
- (9) Monitoring Wells: None.

4. Location of Existing and/or Proposed Facilities - See Wellsite Plat.

A. Within 1-mile radius of location, existing facilities owned or controlled by lessee/operator:

- (1) Tank Batteries: Same as 6 above.
- (2) Production Facilities: Same as above.
- (3) Oil Gathering Lines: None.
- (4) Gas Gathering Lines: Coastal Oil & Gas
- (5) Injection Lines: None.
- (6) Disposal Lines: None.

B. New Facilities Contemplated:

- (1) Off Well Pad: A gas line tie-in to Coastal Oil & Gas gathering system and electric tie-ins to Moon Lake Electric are anticipated. Agreements with Coastal and Moon Lake will be executed prior to completion of the well.

- (2) Well Pad Dimensions: Refer Rig Layout Plat.
 - (3) Construction Methods: Tanks are to be welded. Battery grade will be less than 3' above well pad grade. All equipment will be painted medium sand brown.
 - (4) Protective Measures: There will be no open vessels or permanent storage of fluids in open pits. Storage tanks will be diked to provide emergency containment of a potential tank failure.
- C. Plan for rehabilitation: Upon completion of the well, the reserve pit and all unused areas will be reclaimed. Upon plugging of the well, all production facilities and tanks will be removed and the entire location will be returned, as far as practical, to original grade, and reseeded as per BIA specifications.
5. Location and Type of Water Supply
- A. Water Source:

Approximately ten acre-feet of water will be required to drill and complete the well. Water is to be pumped or hauled from Dry Gulch Creek or the Yellowstone Feeder Canal. Proper water right will be obtained from the State Engineer prior to spudding.
 - B. Transportation: Water will be trucked.
 - C. Water Well: None proposed.
6. Source of Construction Materials:
- A. Source: Materials from cuts will be used in fills. No additional requirements are anticipated.
 - B. Ownership: The access road and location are on Ute Tribal Lands.
 - C. Outside Materials: Roadbase will be obtained from commercial gravel pits in the Bluebell, Utah area.
 - D. Access: No additional access roads will be required excepting the proposed road from the Ute 2-7A2 well to the location, (See plat Above).
7. Methods for Handling Waste Disposal
- Disposal will be handled as follows:

- (1) Cuttings: Drill cuttings are to be buried in the reserve pit.
- (2) Drilling Fluids: Drilling fluids are to be removed to a commercial disposal pit within 90 days of completion.
- (3) Produced Fluids: Produced oil will be sold to an authorized oil buyer. Produced water will be hauled to an authorized disposal.
- (4) Sewage: Chemical Toilets will be provided for the drilling crew.
- (5) Trash and Garbage: Trash will be accumulated in a wire mesh receptacle and hauled to a sanitary land fill.
- (6) Post Drilling Cleanup: After drilling operations cease, the access road and location will be cleaned up and graded. The reserve pit will be covered and reseeded to Ute specifications within 90 days.

8. Ancillary Facilities

No camp facilities are planned or required.

9. Well site Layout - See Attached Wellsite Plat.

- (1) Cross Sections: Provided with plat.
- (2) Equipment Layout: Provided on plat.
- (3) Rig Orientation: Provided on plat.
- (4) Pits: All pits are to be sealed.
Location will be fenced on four sides - see plat.

10. Plans for Restoration of Surface

Upon completion of drilling operations, the location is to be restored as follows:

- (1) Initial Cleanup: Location and surrounding area are to be cleaned of all debris resulting from the drilling operation. All trash is to be hauled to a local sanitary landfill.
- (2) BIA and Vernal BLM will be notified 48 hours prior to any surface restoration requiring earth moving equipment, and upon completion of work.

- (3) Topography: Within ninety days of completion (weather permitting) the well, the reserve pit is to be dried, filled and recontoured to original shape. All spoil material is to be buried a minimum of five feet deep. All trash will be removed prior to burial. All disturbed areas, not require for continued operation, are to be recontoured to original shape.
- (4) Stockpiled topsoil will be evenly distributed back over reclaimed areas.
- (5) Revegetation: Reclaimed areas will be scarified and seeded by broadcasting or drilling, per BIA recommendations.
- (6) Unused areas will be blocked from vehicular access.
- (7) Pits: Pits will be fenced until cleanup, using wire mesh fence with 2 strands of barbed wire.
- (8) Oil on pits: Any oil on the pits will be removed to a commercial disposal when rig is released.
- (9) Timetable: Reserve pit is to be reclaimed within 90 days of completion date. Other areas will be reclaimed within six months of discontinued use.

11. Other Information

- A. Ownership and Right-of-ways:
Both the surface and minerals are owned by the Ute Tribe. Right-of-ways for road, location, gas gathering lines, and power lines will be requested from the BIA.
- B. General Description of Area:
 - (1) Topography: Semi-arid with sage brush and small junipers. No irrigation.
 - (2) Surface Use Activity: The surface is presently used for cattle grazing.
 - (3) Water, Dwellings, Archeology: Water is available in the Yellowstone Feeder Canal, approximately 3 miles northwest of the location; and from Dry Gulch Creek approximately 4 miles southwest of the location, both by road. There are no dwellings within 1/4 mile.

12. Production Operations

- A. Notification: A first production report will be sent to the BLM within 5 days of first production to establish site security and APD compliance.
- B. Site Security: Site security plan will be submitted within thirty days of completion.
- C. Water Production: NTL-2B will be submitted within 60 days of completion. It is anticipated that the water produced will be hauled to the pit located in Lapoint, Utah, Section 8, T 1 S, R 1 E.
Murray pit.
- D. Weed control: The road and location will be professionally sprayed annual, using EPA approved chemicals, to control noxious weeds.
- E. The tank battery is to be built along the west side of the location. All permanent structures will painted an approved earthtone color within six months of installation, OSHA required markings excepted.

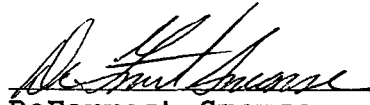
13. Lessee's or Operator's Representative

DeForrest Smouse
465 South 200 West, Suite 300
Bountiful, Utah 84010
Phone: (801) 292-3800 or 292-2554

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist: that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated will be performed by Chasel Energy and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Date: *May 5, 1997*


DeForrest Smouse
Chasel Energy

CHASEL ENERGY

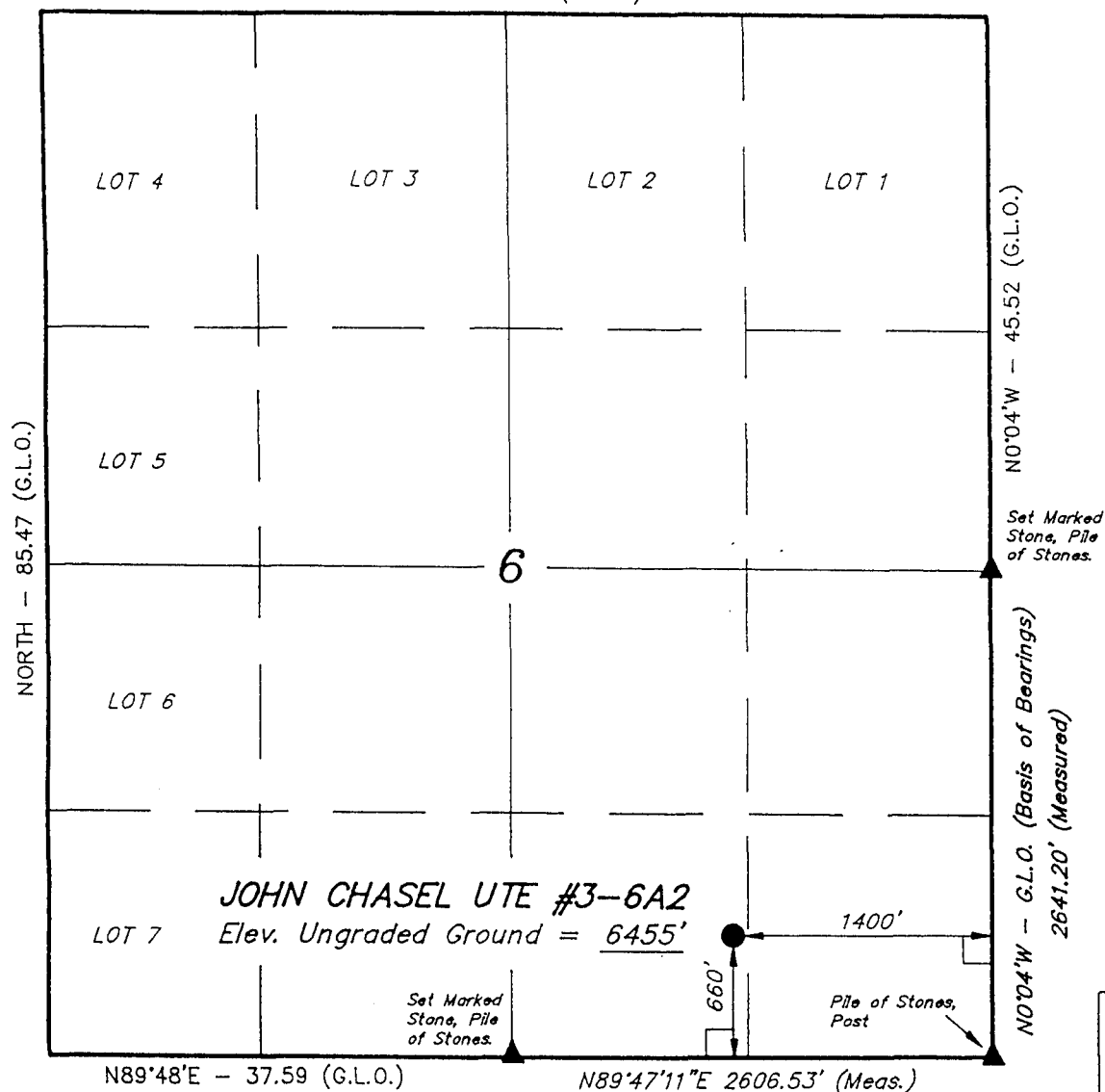
JOHN CHASEL UTE #3-6A2

SECTION 6, T1S, R2W, U.S.B.M.

PROCEED IN AN EASTERLY DIRECTION FROM BLUEBELL, UTAH APPROXIMATELY 1.0 MILES TO THE INTERSECTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE INTERSECTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN RIGHT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 3.7 MILES TO THE INTERSECTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 1.8 MILES TO THE INTERSECTION OF THIS ROAD AND EXISTING ACCESS TO THE UTE #2-7A2 TO THE EAST, TURN RIGHT AND PROCEED IN AN EASTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 0.6 MILES TO THE EXISTING UTE 2-7A2 AND PROPOSED ACCESS ROAD TO THE NORTH; FOLLOW ROAD FLAGS IN A NORTHERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE PROPOSED LOCATION.

T1S, R2W, U.S.B.&M.

WEST - 77.12 (G.L.O.)

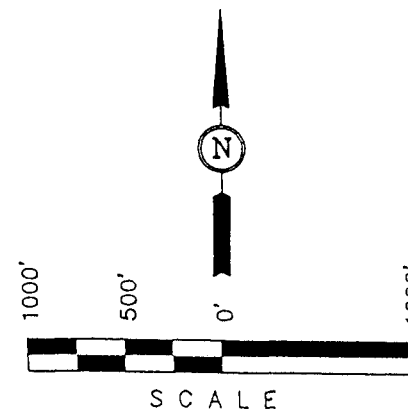


CHASEL ENERGY

Well location, UTE TRIBAL #3-6A2, located as shown in the SW 1/4 SE 1/4 of Section 6, T1S, R2W, U.S.B.&M. Duchesne County, Utah.

BASIS OF ELEVATION

TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 6, T1S, R2W, U.S.B.&M. TAKEN FROM THE NEOLA NW, QUADRANGLE, UTAH, DUCHESNE COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6672 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(801) 789-1017

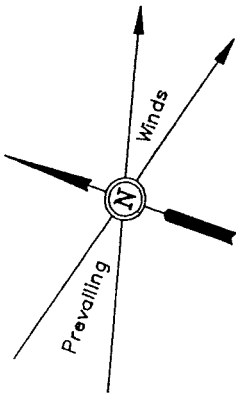
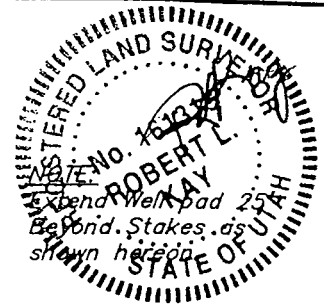
LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

SCALE 1" = 1000'	DATE SURVEYED: 11-15-95	DATE DRAWN: 11-16-95
PARTY G.S. B.B. D.J.S.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE CHASEL ENERGY	

CHASEL ENERGY LOCATION LAYOUT FOR

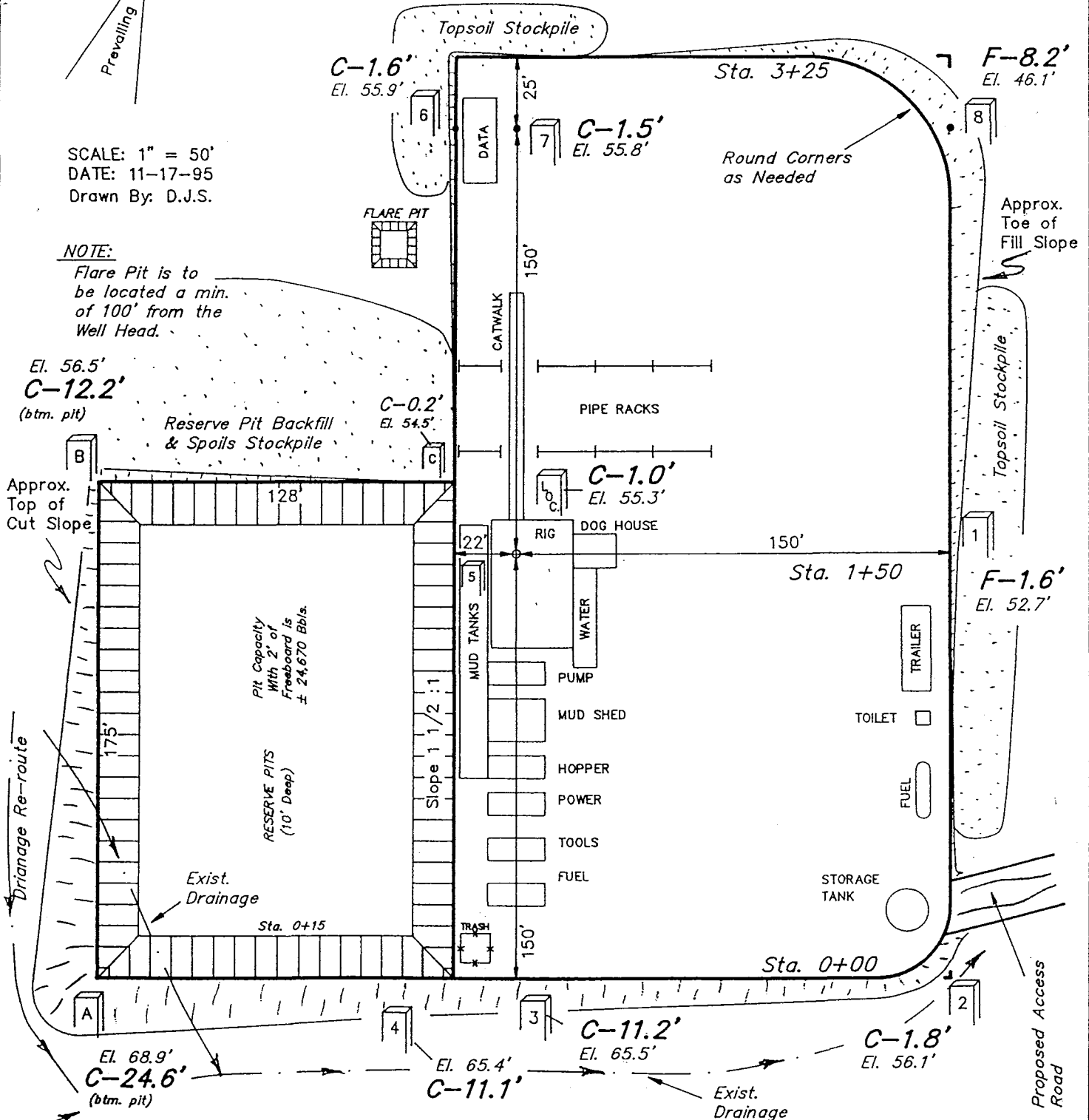
JOHN CHASEL UTE #3-6A2
SECTION 6, T1S, R2W, U.S.B.&M.
660' FSL 1400' FEL



SCALE: 1" = 50'
DATE: 11-17-95
Drawn By: D.J.S.

NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.



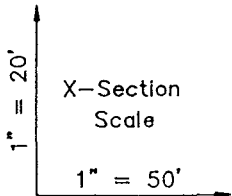
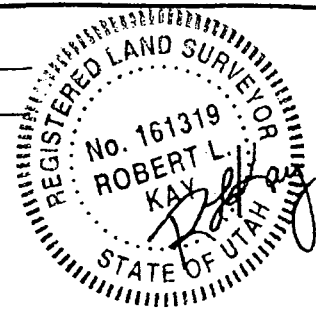
Elev. Ungraded Ground at Location Stake = 6455.3'
Elev. Graded Ground at Location Stake = 6554.3'

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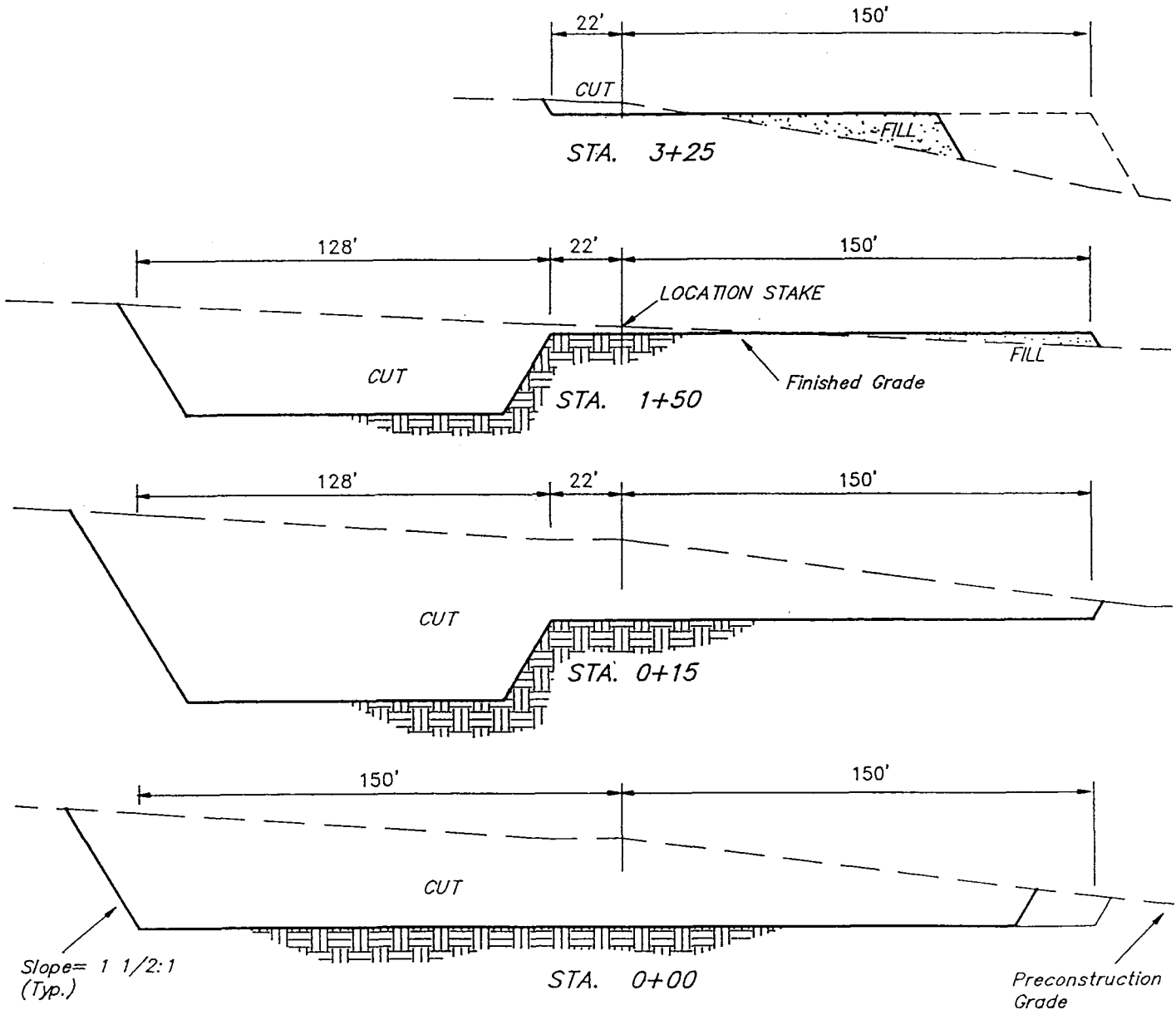
CHASEL ENERGY

TYPICAL CROSS SECTIONS FOR

JOHN CHASEL UTE #3-6A2
SECTION 6, T1S, R2W, U.S.B.&M.
660' FSL 1400' FEL



DATE: 11-17-95
Drawn By: D.J.S.

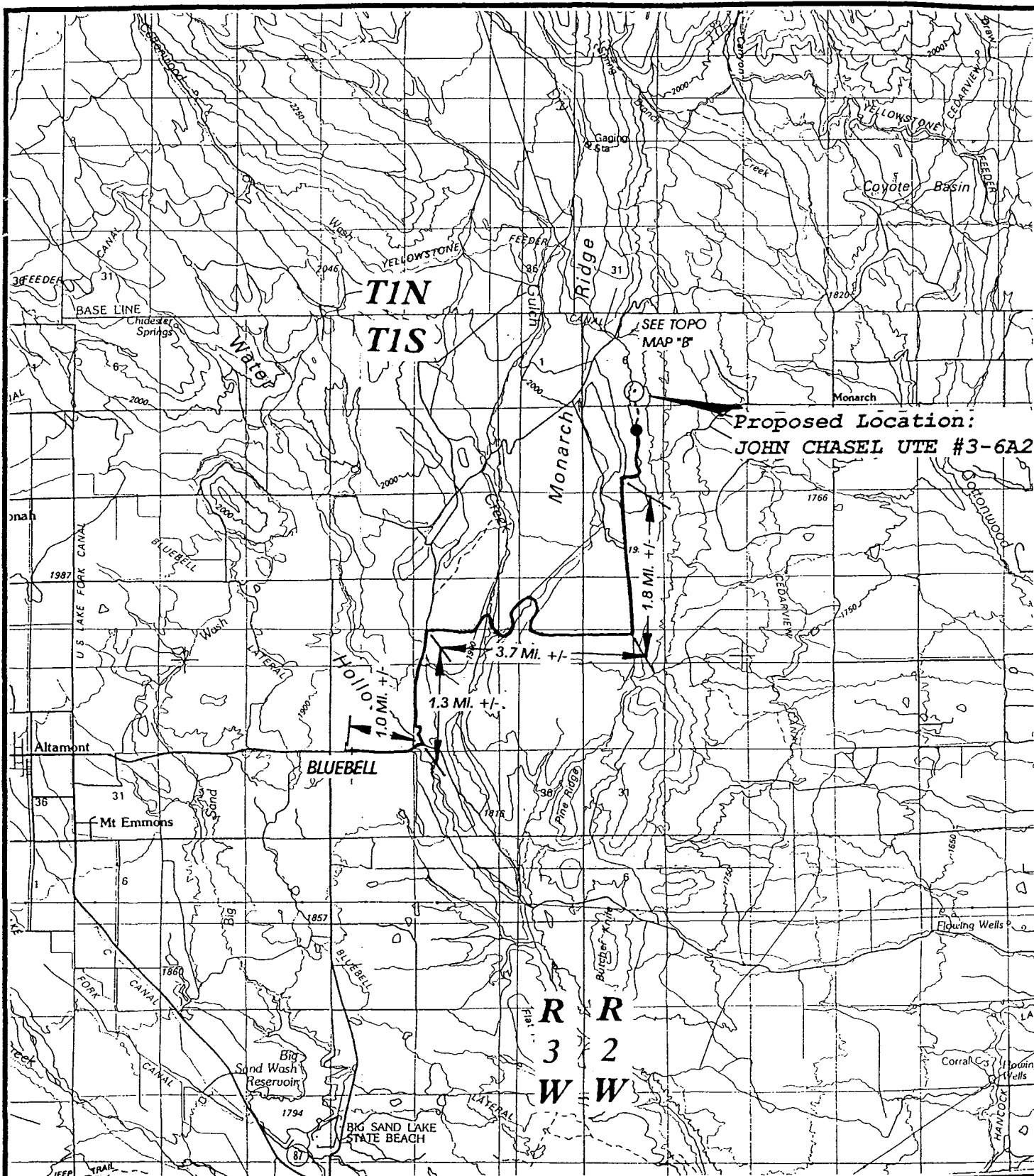


APPROXIMATE YARDAGES

(12") Topsoil Stripping	=	2,780 Cu. Yds.
Remaining Location	=	15,250 Cu. Yds.
TOTAL CUT	=	18,030 CU.YDS.
FILL	=	4,080 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	13,740 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	6,140 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	7,600 Cu. Yds.

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UEIS

TOPOGRAPHIC
MAP "A"

DATE: 11-17-95

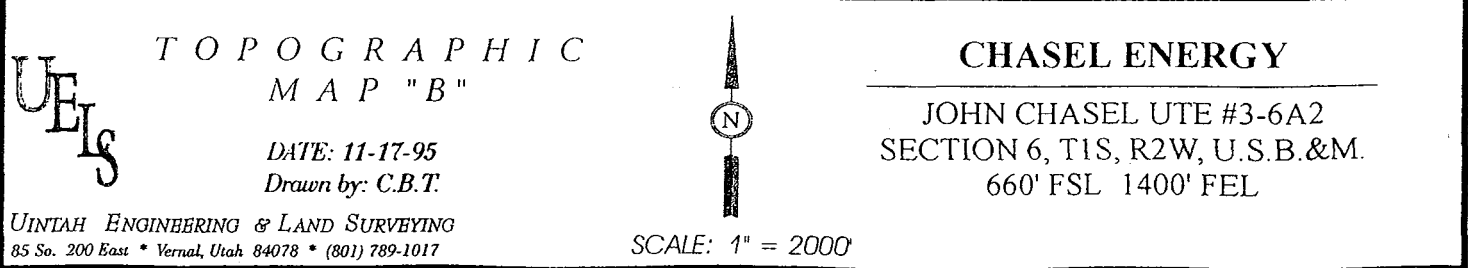
Drawn by: C.B.T.

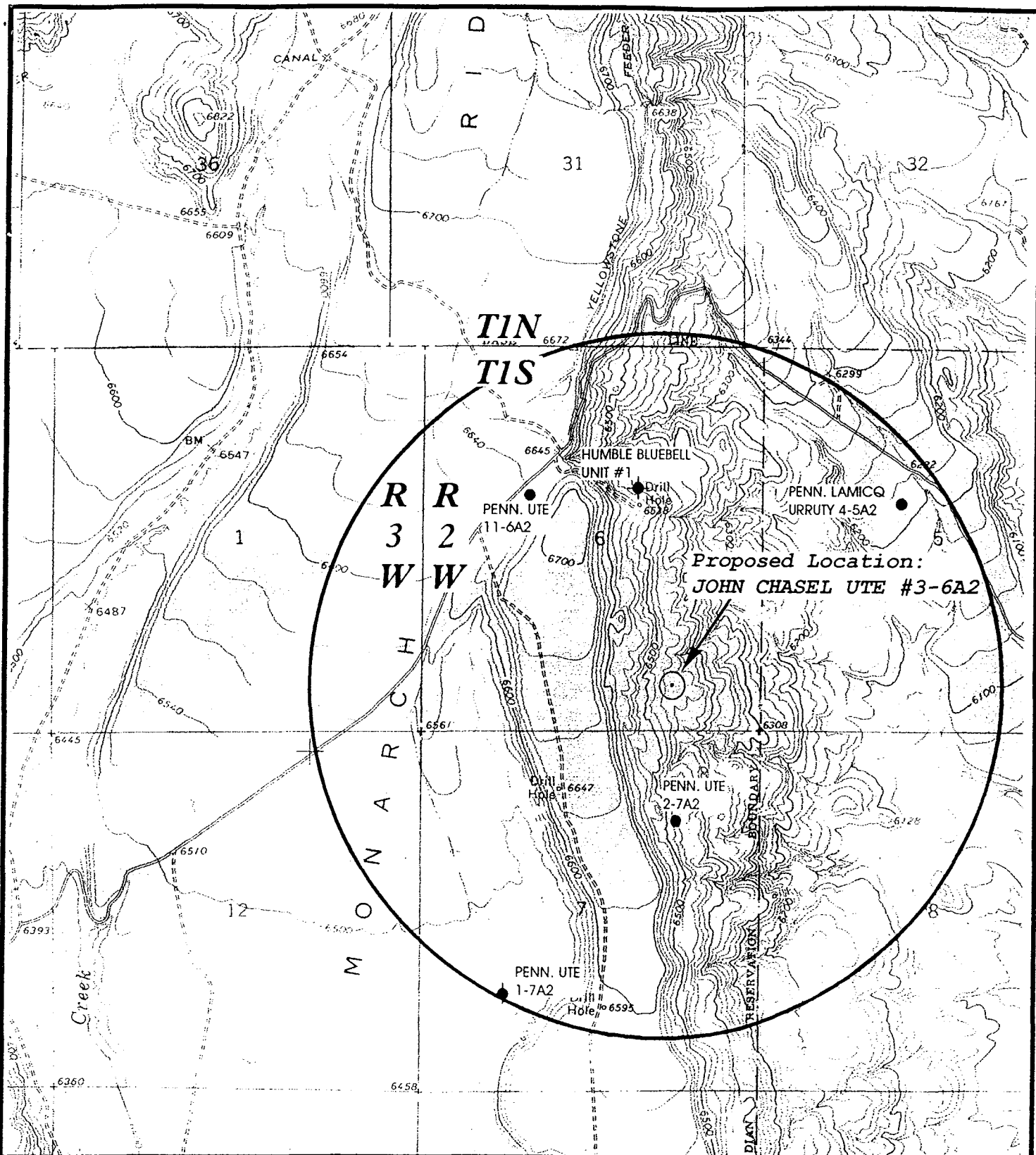
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CHASEL ENERGY

JOHN CHASEL UTE #3-6A2
SECTION 6, T1S, R2W, U.S.B.&M.
660' FSL 1400' FEL





LEGEND

- Water Wells
- Abandoned Wells
- Temporarily Abandoned Wells
- Disposal Wells
- Drilling Wells
- Producing Wells
- Shut-In Wells

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SCALE: 1" = 2000'

CHASEL ENERGY

JOHN CHASEL UTE #3-6A2
SECTION 6, T1S, R2W, U.S.B.&M.
T O P O G R A P H I C
M A P " C "

DATE: 11-17-95 Drawn by: C.B.T.

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Chasel Energy.

Well Name & Number: Ute Tribal 3-6A2

API Number: 43-013-31882

Lease Number: 14-20-H62-4652

Location: SWSE Sec. 03 T. 1 S R. 2W

NOTIFICATION REQUIREMENTS

- Location Construction - at least forty-eight (48) hours prior to construction of location and access roads.
- Location Completion - prior to moving on the drilling rig.
- Spud Notice - at least twenty-four (24) hours prior to spudding the well.
- Casing String and Cementing - at least twenty-four (24) hours prior to running casing and cementing all casing strings.
- BOP and Related Equipment Tests - at least twenty-four (24) hours prior to initiating pressure tests.
- First Production Notice - within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to Tim Ingwell of this office **prior to running the next casing string or requesting plugging orders.** Copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

2500'-12500'

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **3M** system and individual components shall be operable as designed.

12500'-TD'

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **5M** system and individual components shall be operable as designed.

Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

3. Casing Program and Auxiliary Equipment

If conductor pipe is set it will be cemented to surface. If drive pipe is used it will be pulled prior to cementing surface casing.

The surface casing **shall** be cemented back to surface either during the primary cement job or by remedial cementing.

In addition, to the cementing proposal for the surface casing, a minimum of 200 ft. of Class G neat cement shall be placed from 200 ft. to surface in the 10 3/4 in. X 14 1/4 in. annulus.

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the base of the Usable Water Zone identified at \pm 3670 ft.. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) will be run from the production casing shoe to \pm 3470 ft. and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. One copy of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

The Vernal District Office shall be notified, during regular work hours (7:45 a.m.-4:30 p.m., Monday through Friday except holidays), at least 24 hours prior to spudding the well.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9. d.), and shall be submitted to the appropriate District Office within sixty (60) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b. 4).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted following initial installation and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approval or notification is necessary, please contact one of the following individuals:

Wayne P. Bankert (801) 789-4170
Petroleum Engineer

Ed Forsman (801) 789-7077
Petroleum Engineer

Jerry Kenczka (801) 789-1190
Petroleum Engineer

BLM FAX Machine (801) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

- Unused fracturing fluids or acids
- Gas plant cooling tower cleaning wastes
- Painting wastes
- Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids
- Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste
- Refinery wastes
- Liquid and solid wastes generated by crude oil and tank bottom reclaimers
- Used equipment lubrication oils
- Waste compressor oil, filters, and blowdown
- Used hydraulic fluids
- Waste solvents
- Waste in transportation pipeline-related pits
- Caustic or acid cleaners
- Boiler cleaning wastes
- Boiler refractory bricks
- Incinerator ash
- Laboratory wastes
- Sanitary wastes
- Pesticide wastes
- Radioactive tracer wastes
- Drums, insulation and miscellaneous solids.

SURFACE CONDITIONS OF APPROVAL

The Ute Tribe Energy and Mineral Department is to be notified 48 hours prior to construction. A Tribal Technician is to monitor construction.

Thirty (30) foot wide Rights-Of-Way (ROWs) corridor shall be granted for the following:

Access roads which shall have constructed travel width limited to 22 feet, except as granted for sharp curves or intersections or where deep cuts are required for road construction.

Access roads shall begin at existing well location Ute 2-7A2 for new construction to the proposed location. This route was evaluated at the June 2, 1997 onsite and had been proposed at the December 14, 1995 original meeting. This route is designated as the proposed access in the present APD and would be about 2200 feet in length.

Surface pipelines will be constructed to lay on the soil surface, and the ROW for the pipeline will not be bladed or cleared of vegetation.

Chasel Energy will assure the Ute Tribe that any/all contractors and subcontractors have acquired a Tribal Business License and have access permits prior to construction.

All vehicular traffic, personnel movement, construction, and restoration activities shall be confined to the areas examined, as referenced in report, and to the existing roadways and/or evaluated access routes.

All personnel should refrain from collecting artifacts and from disturbing any significant cultural resources in the area.

The Ute Tribe Energy & Mineral Department shall be consulted if cultural remains from subsurface deposits are exposed or identified during construction.

Before the site is abandoned, the company will be required to restore the well site and right-of-ways to near their original state. The disturbed areas will be reseeded with desirable perennial vegetation.

Noxious weeds will be controlled on the well site and rights-of-way. If noxious weeds spread from the project area onto adjoining land, the company will also be responsible for their control.

Reserve pits will be lined with impervious synthetic liners.

A closed production system will be used. Production fluids will be contained in leak proof tanks. All production fluids will be disposed of at approved disposal sites. The indiscriminate dumping of production fluids on roads, wellsites or other areas will not be allowed.

Firewood shall be stockpiled at convenient locations near the wellsite and along the access road.

Upon completion of the project approved under this Application for Permit to Drill and Right-of-way, the Ute Tribe Energy & Minerals Resources Department will be notified by Chasel Energy so that a Tribal Technician can verify Affidavit of Completion's.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

MAY 19 1997

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

John Chasel DBA Chasel Energy

3. Address and Telephone No.

2285 Lucky John Drive, Park City, Utah, 84060

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FSL, 1400' FEL, Sec. 6, T1S, R2W, USM

5. Lease Designation and Serial No.

14-20-H62-4652

6. If Indian, Allottee or Tribe Name

Ute Tribal

7. If Unit or CA, Agreement Designation

Ute Tribal

8. Well Name and No.

John Chasel Ute

9. API Well No.

3-6A2

10. Field and Pool, or Exploratory Area

BLUEBELL

11. County or Parish, State

Duchesne, Utah

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other **Cement Type**
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Type and Volume of Cement

DEPTH	Casing	Volume, Type & Additives
2500'	10 3/4"	1900 Sks, Class G w/ 2%CaCl ₂
12500'	7 5/8"	2200 Sks, Class G w/ B-14 retarder & Celoseal as needed
16,000'	5 1/2"	1200 Sks Class G w/ B-14 as above & D-59 FLAC

14. I hereby certify that the foregoing is true and correct

Signed [Signature] Title **Geologist**

Date **16 May 1997**

(This space for Federal or State office use)

Approved by [Signature] Title **Assistant Field Manager Mineral Resources**

Date **JUL 28 1997**

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

OPERATOR

*See Instruction on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

John Chasel DBA Chasel Energy

3. Address and Telephone No.

2285 Lucky John Drive, Park City, Utah 84060

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FSL, 1400' FEL, Sec. 6, T.1 S., R. 2 W. USB & M

5. Lease Designation and Serial No.

14-20-H62-4652

6. If Indian, Allottee or Tribe Name

Ute Tribal

7. If Unit or CA, Agreement Designation

Ute Tribal

8. Well Name and No.

John Chasel Ute

9. API Well No.

3-6A2

10. Field and Pool, or Exploratory Area

BLUEBELL

11. County or Parish, State

Duchesne, Utah

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other _____
- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☒ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Reference: Thirteen Point Plan Item 12 (c) - Water Production. Water produced will be hauled to the Dave Murray Disposal Pit, located in Section 12, T. 5 S., R. 19 E., Uintah, Co., Utah.

Water disposal is also accepted at the Denver-Chasel disposal well located in Section 5, T. 1 S. R. 1 W., referred to as the Neola Disposal well.

14. I hereby certify that the foregoing is true and correct

Signed [Signature]

Title **Geologist**

Date **13 May 1997**

(This space for Federal or State office use)

Approved [Signature]
Conditions of approval, if any:

Title **Assistant Field Manager
Mineral Resources**

Date **JUL 28 1997**

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Chasel Energy-Quinex Energy Corp.

3. Address and Telephone No.

465 S. 200 W., Bountiful, Utah 84010 (801) 292-3800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FSL, 1400' FEL, SW $\frac{1}{4}$ SE $\frac{1}{4}$, Sec. 6, T 1 S. R 2 W.

5. Lease Designation and Serial No.

14-20-H62-4652

6. If Indian, Allottee or Tribe Name

Ute Tribal

7. If Unit or CA, Agreement Designation

Ute Tribal

8. Well Name and No.

John Chasel 3-6A2

9. API Well No.

43-013-31882

10. Field and Pool, or Exploratory Area

BLUEBELL

11. County or Parish, State

Duchesne

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other **Report of Spud**

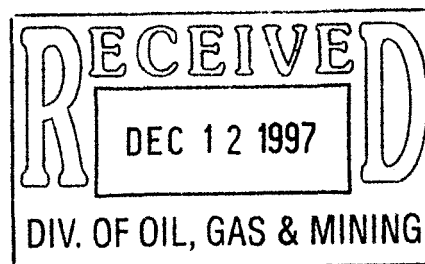
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

**The John Chasel 3-6A3 well was spudded December 10, 1997 @ 08:00
by Rocky Mountain Rathole Rig #1, drilling a 24" diameter hole.**

Caza Drilling Rig No. 24 will be drilling contractor of the drilling operations.



14. I hereby certify that the foregoing is true and correct

Signed *[Signature]*

Title

President-Quinex Energy Corp. 11 Dec. 1997

Date

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

Title

Date

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL ☒ GAS ☐ OTHER:

2. Name of Operator:

Quinex Energy Corporation

3. Address and Telephone Number:

465 South 200 West, Bountiful, Utah 84010

4. Location of Well

Footages: 1400' FEL, 660' FSL

QQ, Sec., T., R., M.: NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 6, T. 1 S., R. 2 W.

5. Lease Designation and Serial Number:

14-20-H62-4652

6. If Indian, Alkotee or Tribe Name:

Ute Tribal

7. Unit Agreement Name:

Ute Tribal

8. Well Name and Number:

John Chasel Ute 3-6A2

9. API Well Number:

43-013-31882

10. Field and Pool, or Wildcat:

BLUEBELL

County:

Duchesne

State:

Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT
(Submit in Duplicate)

- | | |
|--|---|
| <input type="checkbox"/> Abandonment | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Approximate date work will start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

- | | |
|---|---|
| <input type="checkbox"/> Abandonment | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Other <u>Weekly Progress Report</u> | |

Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

2/2/98 Commenced moving in Caza Rig # 42. Started rigging up.

2/3/98 Rigging up Caza #42

2/4/98 Finished rigging up. Wait on kelly.

2/5/98 Drilled out from 20" conductor pipe @ 00:30.

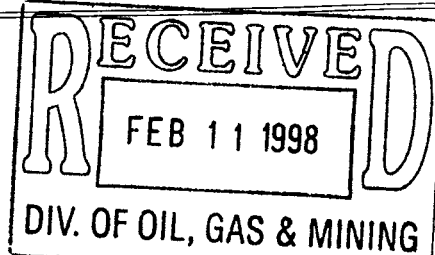
2/6/98 Drilled to 310'. Lost Circulation. Flow coming up around conductor pipe. Mix LCM, and pumped 200 sks cement. Let set till 24:00.

2/7/98 Drilled to 991'. Duchesne River formation.

13.

Name & Signature: DeForrest Smouse Title: President Date: _____

(This space for State use only)



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. 14-20-H62-4652
2. Name of Operator John Chasel DBA Chasel Energy	6. If Indian, Allottee or Tribe Name Ute Tribal
3. Address and Telephone No. 2285 Lucky John Drive, Park City, Utah 84060	7. If Unit or CA, Agreement Designation Ute Tribal
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FSL, 1400' FEL, Sec. 6, T1S, R2E., USM	8. Well Name and No. John Chasel Ute 3-6A2
	9. API Well No. 43-013-31882
	10. Field and Pool, or Exploratory Area BLUEBELL
	11. County or Parish, State Duchesne, Utah

CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other _____	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

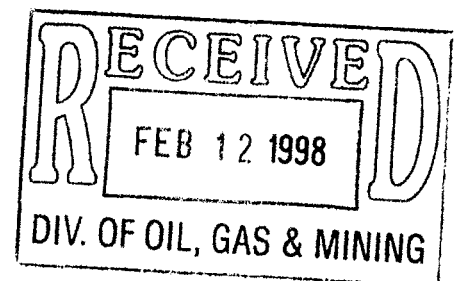
13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Change casing plans;

2500' 9 5/8"

12500' 7"

16000' 5"



14. I hereby certify that the foregoing is true and correct

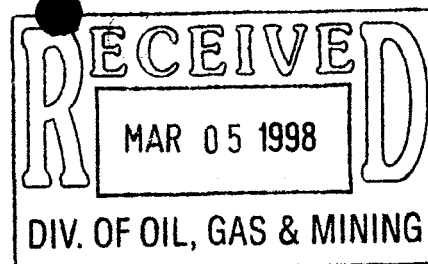
Signed *Robert J. Sumner* Title **Geologist** Date **Jan. 15, 1998**

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any: _____

Chasel Energy
Monarch Ridge Prospect
John Chasel Ute 3-6A2



Date: 15 Feb. 1998
Report No. 2

WEEKLY SUMMARY REPORT

To: Working Interest &
Royalty Owners
Chasel Energy - John Chasel 3-5A2

Location: Section 6
T. 1 S., R. 2 W.
A.P.I.# 43-013-31882

Engineering & Drilling Report

Days Operated: 14 Status: Drilling @ 4566'

1. Hydraulics & Bits: To date 7 bits have been used to reach 4566'.

<u>PUMP PRES.</u>	<u>G.P.M.</u>	<u>S. P.M</u>	<u>BIT#</u>	<u>Size</u>	<u>MAKE</u>	<u>W.O.B.</u>	<u>R.P.M</u>
1700#			7	8 3/4"	SMITH	40/50 M	60/70

2. DRILLING FLUIDS: Type: Gel Weight: 8.9 pH: 11 Vis: 33 Solids: 4.3

3. DOWN HOLE SURVEYS: Depth 2946' Dev: 1/2 Depth 3765' Dev: 1/2

4. TIME: Hours Drilling: 76.24 Average per Day: 19.06 Down Time: Survey & Rig Ser.

GEO-SCIENCE DATA:

Duchesne River Formation; Red to Lt. Green
Mudstone and Sandstone

Formation Tops: Duchesne River
48'

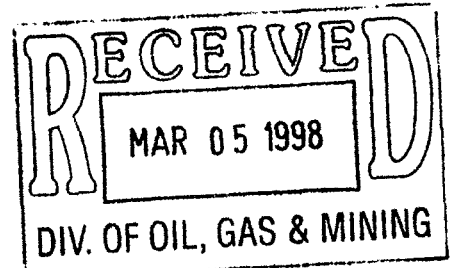
OIL & GAS SHOWS:

None to date.

REMARKS: No shows are expected until we get to the basal part of the Green River Fm.

Quinex Energy Corporation
Exploration Department

Chasel Energy
Monarch Ridge Prospect
John Chasel Ute 3-6A2



Date: 23 Feb. 1998
Report No. 3

WEEKLY SUMMARY REPORT

To: Working Interest &
Royalty Owners
Chasel Energy - John Chasel 3-5A2

Location: Section 6
T. 1 S., R. 2 W.
A.P.I.# 43-013-31882

Engineering & Drilling Report

Days Operated: 21

Status: Drilling @ 6268'

1. Hydraulics & Bits: To date 9 bits have been used to reach 6268'.

<u>PUMP PRES.</u>	<u>G.P.M.</u>	<u>S. P.M</u>	<u>BIT#</u>	<u>Size</u>	<u>MAKE</u>	<u>W.O.B.</u>	<u>R.P.M</u>
1650#			9	8 3/4"	HUGHES	45/50 M	60/70

2. DRILLING FLUIDS: Type: Gel Weight: 9.7 pH: 11 Vis: 32 Solids: 10

3. DOWN HOLE SURVEYS: Depth 4667' Dev: 3/4 Depth 5257' Dev: 1/2
Depth 5780' Dev: 1/2 Depth 6080' Dev: 1.0

4. TIME: Hours Drilling: 150.5 Average per Day: 21.50 Down Time: Survey & Rig Ser.

GEO-SCIENCE DATA:

Duchesne River Formation; Red to Lt. Green
Mudstone and Sandstone. Uintah Formation
Sandstone & Mudstone, Red Brown.

Formation Tops:

Duchesne River 48'
Uintah Fm. 3,430'

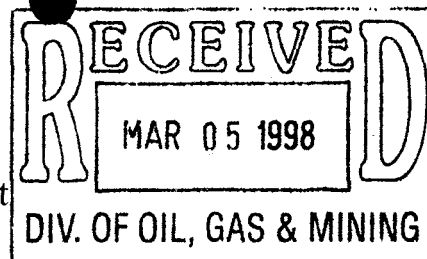
OIL & GAS SHOWS:

None to date.

REMARKS: No shows are expected until we get to the basal part of the Green River Fm.

Quinex Energy Corporation
Exploration Department

Chasel Energy
Monarch Ridge Prospect
John Chasel Ute 3-6A2



WEEKLY SUMMARY REPORT

Date: 2 Mar. 1998

Report No.: 4

To: Working Interest &
Royalty Owners
Chasel Energy - John Chasel Ute 3-6A2

Location: Section 6
T. 1 S., R. 2 W.
API# 43-013- 31882

Engineering/ Drilling Report:

Days operated: 28 Status: Drilling top of Green River Formation

1. Hydraulics & Bits: To date 10 bits have been used to reach 7832'

<u>PUMP PRES.</u>	<u>G.P.M.</u>	<u>S.P.M.</u>	<u>BIT#</u>	<u>SIZE</u>	<u>MAKE</u>	<u>W.O.B.</u>	<u>R.P.M.</u>
1600/1650		100	10	8 3/4"	Reed	45/50	100

2. DRILLING FLUIDS: Type Gel Weight 9.3 pH 9.0 Vis 30 Solids 3/10

3. DOWN HOLE SURVEY: Depth 7389' Dev. 3/4 Depth 7832' Dev 1.0

4. TIME: Hours Drilling 153 Average per day 21.9 Down Time Rig Serv./Trp

Geo-Science Data:

Lithology Report: 60% Mudstone, lt. Green, ochre
& red-brn. 40% sandstone, med. grained, wht-lt brn.

Formation Tops:
Uintah Fm. -3430'
Grn. River - 7800'

OIL AND GAS SHOWS :

<u>SHOW#</u>	<u>DEPTH</u>	<u>TYPE</u>	<u>RATING</u>	<u>COMMENTS</u>
<u>NO SHOWS</u>				

Drilled a 8 3/4" hole from 6268' to 7832' using two bits average 223' per day. Lithology was mudstone and sandstone of the Uintah Formation.

Remarks: Gas readings: Background 24 units, connection 66 units

Quinex Energy Corporation
Exploration Department

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

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Use "APPLICATION FOR PERMIT—" for such proposals.

SUBMIT IN TRIPLICATE

RECEIVED
MAR 17 1998
DIV. OF OIL, GAS & MINING

5. Lease Designation and Serial No.

14-20-H62-4652

6. If Indian, Allottee or Tribe Name

UTE TRIBAL

7. If Unit or CA, Agreement Designation

UTE TRIBAL

8. Well Name and No.

John Chasel Ute 3-6A2

9. API Well No. 31882

43-013-31887

10. Field and Pool, or Exploratory Area

BLUEBELL

11. County or Parish, State

Duchesne, Utah

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☐ Other

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut-Off

☐ Conversion to Injection

☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Chasel Energy plans to change casing size and hole size as indicated below:

Depth	Casing Size	Hole Size	Grade	Cement
2500'	9 5/8"	12 1/2"	J-55 36# ST&C	300 Sks Class G returns to surface
12500'	7"	8 3/4"	P110 23# LT&C	800 Sks Class G 600 Sks lite
16000'	5"	6 1/4"	3700' P110 18# SFJT	800 Sks. Class H

The cement volumes may change after logging provides hole volumes.

14. I hereby certify that the foregoing is true and correct

Signed DeForrest Smouse

Title Geologist
DeForrest Smouse

Date 3/16/98

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

Title

Date

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
ENTITY ACTION FORM - FORM 6

Chasel Energy
OPERATOR **QUINEX ENERGY CORP.**
ADDRESS **465 South 200 West**
Bountiful, Utah 84010

OPERATOR ACCT. NO. **H 9680**

ACTION CODE	COMMENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION				COUNTY	SPUD DATE	EFFECTIVE DATE
					QA	SC	TP	RG			
A	99999	12344	43-013-31882	John Chasel Ute 3-6A2	SW/SE	6	1S	2W	Duchesne	12/10/97	12/10/97
WELL 1 COMMENTS: <i>Entity added 4-16-98. Jec</i>											
Drilling new Well.											
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

ACTION CODES (See instructions on back of form)

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

13/891

De. [Signature]
Signature
President
Date **4/16/98**
Phone No. **(801) 292 - 3800**

04/16/98

11:35

NO. 012

P02

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ DRY ☐ Other _____
b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ Other _____

2. NAME OF OPERATOR
Chasel Energy (Quinex Energy Corporation)

3. ADDRESS OF OPERATOR
465 S. 200 W., Bountiful, Utah 84010

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 660' FSL, 1400' FEL, Sec. 6, T.1S., R.2 W. USM
At top prod. interval reported below same
At total depth same

14. PERMIT NO. 43-013-31882 DATE ISSUED 8/5/97

5. LEASE DESIGNATION AND SERIAL NO.
14-20-H62-4652

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Ute Tribal

7. UNIT AGREEMENT NAME
Ute Tribal

8. FARM OR LEASE NAME
John Chasel

9. WELL NO.
Ute 3-6A2

10. FIELD AND POOL, OR WILDCAT
BLUEBELL

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SW $\frac{1}{4}$, SE $\frac{1}{4}$, T1S, R2W.

12. COUNTY OR PARISH Duchesne 13. STATE Utah

15. DATE SPUDDED 12/12/97 16. DATE T.D. REACHED 5/26/97 17. DATE COMPL. (Ready to prod.) 8-8-98/Dr. Immo 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 6455' GR, 6477.5 KB 19. ELEV. CASINGHEAD 6460'

20. TOTAL DEPTH, MD & TVD 15,878' 21. PLUG, BACK T.D., MD & TVD 22. IF MULTIPLE COMPL., HOW MANY* 23. INTERVALS DRILLED BY 15,878' 24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 14,574- 15,791' (See attached sheet)

25. WAS DIRECTIONAL SURVEY MADE YES NO 26. TYPE ELECTRIC AND OTHER LOGS RUN Dual. Ind-GR, Comp. Neut.-Litho Dens. Dipole Shear-Aniso. Spectra Scan Img. TDT Advisor. CBL 2-10-99

27. WAS WELL CORDED NO

CASING RECORD (Report all strings set in well)				AMOUNT PULLED	
CASINO SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	
9 5/8"	36#	2535'	12 1/4"	430 SK LT, 300 Sk. "G"	-
7"	23#	12,525'	8 3/4"	2600 Sks 50/50, 100 G	-
5' P110	18#	15,877'	6 1/4"	600 Sks. "G"	

LINER RECORD				TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)
5'	12,295'	15,877'	600		2 7/8"	14,480

31. PERFORATION RECORD (Interval, size and number)		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
19 Zones 14,574-15,791'		DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
See attached sheet.		15,100-791'	5500 gal 15% HCl
		14,574-15,791'	6,500 gal 15% HCl
		14,574-15756'	12,000 gal 15% HCl

33.* PRODUCTION							
DATE FIRST PRODUCTION 7 August 1998		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing up casing				WELL STATUS (Producing or shut-in) Workover SI-Dr. Immo	
DATE OF TEST 8/7/98	HOURS TESTED 24	CHOKE SIZE no ck.	PROD'N. FOR TEST PERIOD	OIL—BBL. 124.01	GAS—MCF. 255	WATER—BBL. 0	GAS-OIL RATIO 2.05
FLOW. TUBING PRESS. 0-2500	CASING PRESSURE 0-2500	CALCULATED 24-HOUR RATE	OIL—BBL. 124.01	GAS—MCF. 255	WATER—BBL. 0	OIL GRAVITY-API (CORR.) 50.1°	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Sold Gary-Williams & flared TEST WITNESSED BY Paul Wells

35. LIST OF ATTACHMENTS Perforations, Well chronology

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
SIGNED [Signature] TITLE President (Quinex) DATE 2/8/99

*(See Instructions and Spaces for Additional Data on Reverse Side)

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
Duchesne Rvr	Surface	3,433'	Sandstone, Conglomerate & mudstone Fresh Water	Duchesne Rvr.	Surface	-
Uinta Fm.	3,433'	7,707'	Sandstone, conglomerate, mudstone Fresh Water	Uinta Fm.	3,433'	3,044'
Green River	7,707'	11,708'	Mudstone, Marlstone, Sandstone, Limestone, Dolomite Oil, Gas & Water	Green River	7,707'	-1,230'
Wasatch Trans.	11,708'	12,156'	Red Bed, Sandstone & Mudstone Water	Green Rvr. Blk Sh.	11,240'	-4,311'
Wasatch Fm.	12,156'	TD	Sandstone, Mudstone, Marlstone, Limestone, Dolomite, Bentonite (Oil, Gas & Water)	Wasatch Trans.	11,708'	-5,231'
				Wasatch Fm.	12,156'	-5,673'
				Wasatch "B"	13,476'	-6,999'

38. GEOLOGIC MARKERS

**CHASEL ENERGY
QUINEX ENERGY CORPORATION**

John Chasel Ute 3-6A2

Chronological of Completion - Lower Wasatch Formation

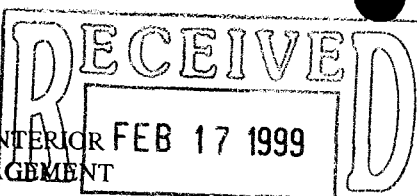
6/24/98	Perforated well Zones 1-19, 14,574' through 15,791' Set Packer @ 14,480'
7/6/98	Acid frac well w/5500 gal. 15% HCl & Scandium 46 Isotope, Packer @ 15,100' well communicated.
7/8/98	Redress packer, Set @ 14,486'.
7/10/98	Acid frac well w/ 6,500 gal. 15% HCl w/ Isotope (Rhodium 192). Protecnic Log shows migration of Frac. Fluids between 15,340' and 15,130'.
7/16/98	Set CIBP @ 15,320' and packer @ 15,000'.
7/17/98	Squeeze well w/ 200 Sacks Cement.
7/27/98	Drill out cement & CIBP. Reperforate zones 8, 13, 14, 15, 16, 17, 18, & 19.
7/29/98	Set packer @ 14,480'.
8/3/98	Acidize with 12,000 gal. 15% HCl.
8/8/98	Well producing up casing.
8/11-14/98	Tubing plugging with cement fragments, clear tubing.
8/15/98	Casing collapsed @ 15,354' & 15,573'. Liner filled w/cement to 15,012' .

QUINEX ENERGY CORPORATION
John Chasel Ute 3-6A2
PERFORATION SCHEDULE

The following listed perforations have been selected for the John Chasel Ute 3-6A2 well. The selected Service Company will use 3 3/8" gun with 12 gram charges. The selected zones will be perforated with 3 shots per foot with a 120 degrees between individual shots.

<u>ZONE NO.</u>	<u>DEPTH</u>	<u>SHOTS</u>
1	15,788, 89, 90, 91	12
2	15746, 47, 48, 49	12
3	15,732, 33, 34	9
4	15,660, 61, 62	9
5	15,620, 21, 22, 23, 24, 25	18
6	15,519, 20, 21	9
7	15384, 85, 86, 87	12
8	15,334, 35, 36, 37, 38, 39, 40, 41	24
9	15,306, 07, 08, 09, 10, 11, 12, 13, 14	27
10	15,226, 27, 28, 29, 30	15
11	15191, 92, 93, 94, 95	15
12	15,130, 31, 32, 33, 34, 35, 36	21
13	15,035, 36, 37, 38, 42, 43, 44, 45	24
14	14,925, 26, 27, 28, 29	15
15	14,814, 15, 16	9
16	14,752, 53, 54, 55, 56, 57, 58	21
17	14,710, 11, 12, 13, 14	15
18	14,608, 09, 10, 11, 12	15
19	14,574, 75, 76, 77	12
<hr/> TOTAL PERFORATIONS =		<hr/> 294

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS OF OIL, GAS & MINING

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Chasel Energy (Quinex Energy Corp.)

3. Address and Telephone No.

465 S. 200 W., Suite 300, Bountiful, Utah 84010 (801) 292-3800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FSL, 1400' FEL, Section 6, T1S, R2W, USM

5. Lease Designation and Serial No.

14-20-H62-4652

6. If Indian, Allottee or Tribe Name

UTE INDIAN

7. If Unit or CA, Agreement Designation

Ute Indian

8. Well Name and No.

John Chasel Ute 3-6A2

9. API Well No.

43-013-31882

10. Field and Pool, or Exploratory Area

BLUEBELL

11. County or Parish, State

Duchesne Co., Utah

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☒ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other

☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Plug well back w/ CIBP @ 14,660'

Perforate Upper Wasatch formation from 13,953-12,160'. Found water entry from perforation @ 14,697 & 14,524'.

Set CIBP @ 14,545' and spotted two sacks of cement on CIBP. Set packer @ 12,063'.

Acidize well w/ 12,000 gal. 15% HCl with selected additives.

Swab well back. Well making only 2 bbl/hour (50/50 oil/water).

SHUT WELL IN.

See attached "Selected Perforations- Upper Wasatch Fm."

Attached well CHRONOLOGY 1/28/99 through 2/10/99

14. I hereby certify that the foregoing is true and correct

Signed *DeForrest Smouse*

Title **DeForrest Smouse Pres. Quinex**

Date **16 February 1999**

(This space for Federal or State office use)

Approved by

Title

Date

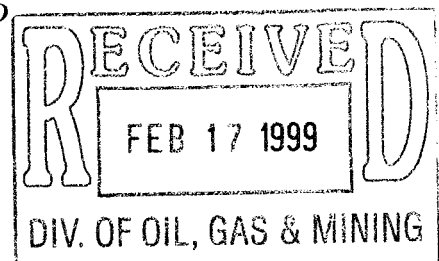
Conditions of approval, if any:

QUINEX ENERGY CORPORATION
John Chasel Ute 3-6A2
Selected Upper Wasatch Perforations

<u>Zone Number</u>	<u>Depths</u>	<u>No. Shots</u>
B-1	13,945, 47, 49, 51, 52, 54'	18
B-2	13,858, 60, 62, 64, 66, 68 70, 72'	27
B-3	13,760, 62, 64, 66, 67'	15
B-4	13,624, 26, 28, 30, 32, 34'	18
B-5	13,500, 02, 04, 06, 08, 10, 12, 14, 16, 18, 20'	33
B-6	13,475, 77, 79, 81, 83, 85'	18
B-7	13,088, 90, 92, 94, 96, 98, 100'	21
B-8	13,080, 82, 86'	9
B-9	13,065, 67, 69, 71, 73, 75, 77, 79, 80'	27
B-10	12,716, 18, 20, 22'	12
B-11	12,706, 08, 10, 12, 14'	15
B-12	12,230, 32, 34, 36, 38, 40'	18
B-13	12,160, 62, 64, 66, 68, 70, 72'	21
<u>Total No. Shots</u>		<u>252 shots</u>

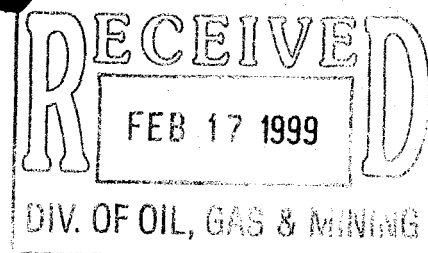
NOTE: The selected perforations will be finalized only after a Cement Bond Log has been run & analyzed.

DeForrest Smouse PhD
Geologist



John Chasel Ute 3-6A2

John Chasel Ute 3-6A2 Chronology Continued.

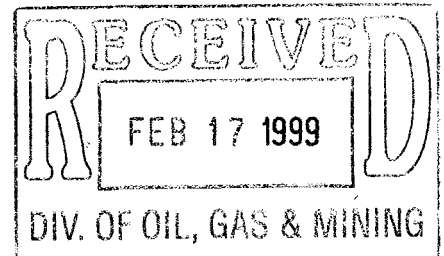


- 1/28/99 Rigged up OWP and ran Cement Bond Log from 12,000' to 14,698'. Log showed good bonding from 12,000' to 14,698'. Pan CIBP (Cast Iron Bridge Plug) in and set @ 14,660'. Dumped 1 sack of cement on top of CIBP. Laid down 4 joints of tubing with galled threads.
- 1/30/99 Rig up OWP and perforated upper Wasatch from 13,953' to 12,160'. See attached perforating sheet. No pressure increase. Trip 7" Retrieve -o-matic packer and trip in hole to 11,380'.
- 2/1/99 Fluid level 6,000'. Picked up 20 joints of 2 7/8" tubing. Set Packer @ 12,063'. Nipple down BOPs and Nipple up tree. Picked up swab. Tubing plugged @ 889'. Worked through with hot water and sinker bar. Swab well, made 10 Swab runs. Initial level surface, final level = 10,500'. Had 1,000' fet of fluid entry on last 2 runs with brown oil.
- 2/2/99 Pressure on tubing this Am = 200# and fluid level was @ 6,900'. Swab well for 4 hours. Made 7 swab run pulling fluid from 6,900' down to 12,063'. Wait one hour between runs and level came up to 10,200'. Swab each our last 2.5 hours, and level remained the same.
- 2/3/99 Swab well. Initial fluid level 6,900'. Swab down to packer in 3 hours. Ran production log to locate water entry. Water entry @ perfs 14,607 and 14,524'. Filled tubing with water. Nipple down tree & nipple up BOPs. Trip out 3 7/8" tubing.
- 2/4/99 Finish trip out with 2 7/8" tubing & packer. Picked up CIBP and set same @ 14,568'. Spotted 2 sacks of cement on top of CIBP and plug top @ 14,545'. Picked up retrieve-o-matic packer and ran in hole and set @ 12,063'. Swab well, made 2 swab runs. Initial level surface, final level 4700'. No pressure on well.
- 2/5/99 Swab well for 4 hours. Initial fluid level 4700', final level 12,000'. Made 6 swab runs. Wait 1 hour between last two runs. No fluid entry.
- 2/9/99 Rigged up BJ Service to acidize upper Wasatch in well. Pumped 12,000 gal 15% HCl with additives and 450 frac balls. Max. pres. = 7,400# Aver. Pres. = 6,200#. Max rate = 8.3 bbl/min, aver. Rate = 5.1 bbl/min. Had good ball action. Rig down BJ and flow well for 2.5 hours. ISIP = 4900#. Swab well for 5 hours, Initial level = surface, swabbed down to 11,800'. Last run 35% oil cut. All fluid gas cut.
- 2/10/99 Pressure this AM = 200# & fluid level @ 5,600'. Swab well for 8 1/2

John Chasel Ute 3-6A2

John Chasel Ute 3-6A2 Chronology Continued.

hours. First 4 runs swabbed to packer. Made 10 swab runs. After run # 4, swabbed on hour. Fluid entry last runs was 50/50 oil & water at about 2 barrels/hour. Nipple down BOPs, nipple up tree.



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Chasel Energy (Quinex Energy Corp.)

3. Address and Telephone No.

465 S. 200 W., Suite 300, Bountiful, Utah 84010 (801) 292-3800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FSL, 1400' FEL, Section 6, T1S, R2W, USM

5. Lease Designation and Serial No.

14-20-H62-4652

6. If Indian, Allottee or Tribe Name

UTE INDIAN

7. If Unit or CA, Agreement Designation

Ute Indian

8. Well Name and No.

John Chasel Ute 3-6A2

9. API Well No.

43-013-31882

10. Field and Pool, or Exploratory Area

BLUEBELL

11. County or Parish, State

Duchesne Co., Utah

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☒ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other

☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

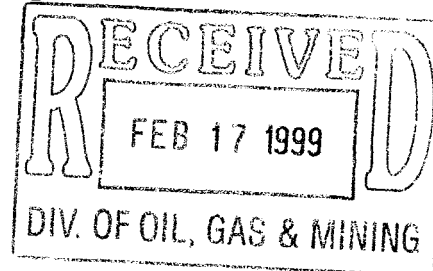
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Well continued to make solids that plugged production equipment. Found tight spot @ 14,702'. Tried to swedge & mill out tight spot, casing collapsed or parted @ 14,702'. Lost tools in hole. Fished & milled on fish. Set CIBP @ 14,660'. Perforated 3 zones, 14,530-34', 14,573-76', & 14,607-12'. Acidize zones w/ 2500 gal 15% HCl with selected additives. Set packer @ 14,488'. Swab well. Puled packer. Drill & mill well to 14,731'. Ran slotted liner over zones 14,702-31' and tried to produce with packer set @ 14,440'. Well watered out.

SEE ATTACHED PERFORATION SCHEDULE

SE ATTACHED CHRONOLOGY 10/16/98 through 1/24/99.



14. I hereby certify that the foregoing is true and correct

Signed DeForrest Smouse

Title **DeForrest Smouse, Pres. Quinex.**

Date **2/16/99**

(This space for Federal or State office use)

Approved by

Title

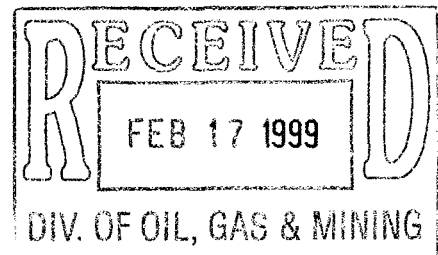
Date

Conditions of approval, if any:

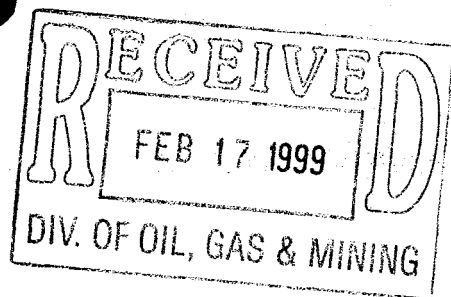
QUINEX ENERGY CORPORATION
John Chasel Ute 3-6A2
PERFORATION SCHEDULE

The following listed perforations have been selected for the John Chasel Ute 3-6A2 well. The selected Service Company will use 3 3/8" gun with 12 gram charges. The selected zones will be perforated with 3 shots per foot with a 120 degrees between individual shots. We will try to perforate 1/2 foot of old perforations.

<u>ZONE NO.</u>	<u>DEPTH</u>	<u>SHOTS</u>
1N	14530, 31, 33, 34	12
R 1	14,607, 08, 09, 10, 11, 12	18
R	14,573, 74, 75, 76	12
<hr/> TOTAL PERFORATIONS =		<hr/> 42



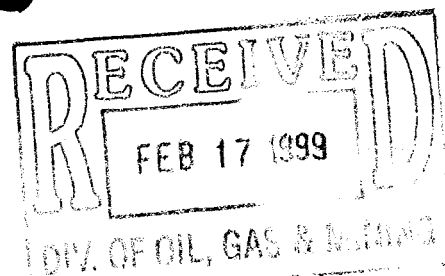
John Chasel Ute 3-6A2



John Chasel Ute 3-6A2 Chronology Continued.

- 10/16/98 Trip out of hole with 2 7/8" tubing & packer. Tried to run CIBP (Cast Iron Bridge Plug) on wireline. Would not go below 14,686'.
- 10/17/98 Set Blow Out Preventor Ran 65' of 2 7/8" in hole, and set slips & Pipe Rams. Ran slick line to 14,880'. Pull sample w/Baker tool. (Sand).
- 10/20/98 Trip in hole w/ work string to 14,776'. Set down hard. Felt like metal.
- 10/21/98 Clear tubing to 9,840'. Ran slick line to 14,840'.
- 10/22/98 Ran in hole w/ 1.9" tubing to 14,740'. Circulate well down 2 7/8" tubing and up 1.9" and made 48'. Well appears to have casing problems @ 14,780. Pulled 1.9" tubing, which appears to be plugged.
- 10/23/98 Finish trip out w/ 1.9" tubing. The last 25 stands plugged with chunks of cement. The bottom 2 stands are bent in slight S-shape. May indicate collapsed casing @ 14,776-80'. (Later strap places the problem @ 14,702'.) Changed out tubing. Trip in hole with 4" swedge.
- 10/24/98 Finish trip w/ 4" swedge. Tagged at 14,702' and would not go.
- 10/26/98 Picked up collars. Trip in hole w/ 4" swedge. Swedge tight spot in casing 14,702'. Pulled to liner top.
- 10/27/98 Trip to tight spot @ 14,702'. Worked swedge to 14,704'. Trip out leaving tools (bumper sub & swedge) in hole.
- 10/28/98 Trip in with overshot. Latched fish. Pulled 15,000# over. Trip out. (NO FISH). Left broken part of overshot in hole.
- 10/29/98 Trip in hole w/ Tap mill. Worked on fish, set down 2000-6000# over string weight. Tripped out. W/ no fish. Tapered end of mill was pulled in 1/4" & had 3 broken pieces.
- 10/30/98 Trip in hole w/ 4 1/8" tap mill. Worked on fish, laying down 1000-7000# over. Turned 15 turns with 2900 # torque. Pulled 80,000 # and bled off jars. Pulled to 80,000# and bled off jars. Pulled 1,500# over string weight. (Moved fish ? 1.02" from 14,700'. Sat down to string weight. Trip out of hole. (NO FISH). Tap tool un-marked inside.

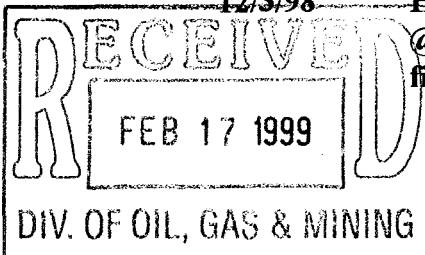
John Chasel Ute 3-6A2



John Chasel Ute 3-6A2 Chronology Continued.

- 11/9/98 Ran CIBP (Cast Iron Bridge Plug). Set CIBP @ 14,660'. Perf 3 zones 14530-612'. (14530-34', 14,573-76 & 14607-12'.) No pressure. Ran in hole w/ Baker Model R double grip packer.
- 11/10/98 Set Model R packer @ 14,470'. Set with 21,000# compression. Tried to swab well. Tubing plugged with paraffin @ 950'.
- 11/11/98 Hot oil tubing, max. pressure 3500#. Could not get swab below 3200'. Released packer & pumped down casing & up tubing, circulation pressure was 2500#. Circulated approximately 30 barrels. Reset packer & swabbed well. Made 16 swab runs. Last run from 14,000'. Last swab run was 100% oil. Swabbed approximately 95 barrels oil. Oil color changed from green to light green.
- 11/12/98 Swab well from 8,200' to 14,000' in 5 swab runs, then swabbed on hour for 4 runs. Recovered 42 bbls fluid 30-40% oil.
- 11/13/98 Rig up Dowell & pump 2500 gal 15% HCl. Max Pres. 6800# Aver. Pres. 4440#. Max. Rate 7.5 bbl/min, Aver. Rate 3.6 bbl/min. Used 108 frac balls. Had good ball action & breaks. ISIP = 6495#. In 10 min. = 4135#. Flowed back for 26 minutes. Swab well, made 17 swab runs. Initial fluid level = surface. Final level = 12,500'. Swab back approx. 120 bbl. fluid. Last swab run was 20-30% yellow green oil.
- 11/14/98 Swab well. Swab to 14,000' in 6 swab runs. Oil cut 50% down to 10%. Swab on hour showing fluid entry 700-200 feet/hour. Recovered 15-25 bbl/oil & 30 bbl/water.
- 11/15/98 Swab well. Swab to 14,000' in 6 swab runs. Swab every hour thereafter with 1-15 bbl/fluid entry per hour.
- 11/18/98 Trip in hole with mill. Milled out Cast Iron Bridge Plug (CIBP).
- 11/19/98 Trip out with mill. Did not have CIBP in catcher. Trip in hole with Packer & pump cavity with blanking sleeve. Set Packer @ 14,483'. Swab well, making 12 swab runs, pulling fluid level down to 12,500'. Recovered 105 bbl/fluid, 15% oil cut. Lost seal on blanking sleeve.
- 11/20/98 Pulled old blanking sleeve with wireline and ran new blanking sleeve. Swab well for 5 hours, making 7 swab runs to pull to 14,000'. Last 2 hours had no fluid entry.

- 11/21/98 Checked fluid level and found @ 14,000'. Had no entry into tubing overnight. Pumped hot water down tubing, pressure ranged from 70 to 3500#. Swab well down to 14,000'. Fluid entry was 800' to 200' per hour. 15-20% oil cut.
- 11/23/98 Could not get through bottom of 2 7/8" tubing with wireline & sinker bar. Release packer and started out of hole with tubing & packer.
- 11/24/98 Finished trip out of hole with string. Tripped in hole with overshot. Tagged up @ 14,500'. Started out of hole pulling 800# over string weight. Tubing was plugged; pull tubing wet, swab fluid from tubing.
- 11/25/98 Finished trip out with CIBP. Tripped in hole with notched collar to clean out and circulate well. Tagged fill @ 14,560'. Circulated well. (Returns consisted of small amount of fill w/ blue paint chips) The only blue paint in hole was on fishing tools. Tripped string to top of liner.
- 11/28/98 Finished trip out of hole with notched collar. Picked up 4" wash-over shoe/mill with cut-rite. Trip in hole.
- 11/29/98 Circulated well. Circulated & milled on fish @ 14,380'. Made 4 feet circulating up metal and fill. Could not move down hole with 2,000#. Tripped out with mill. (NO FISH). Mill showed good cut on inside and wire catchers were bent. Examination of mill showed that we were milling on top of knocker nut. (See attached Diagram).
- 11/30/98 Trip in hole with 3 5/8" overshot. Worked down over fish and pump pressure increased by 300# @ 14,480'. Picked up with no overpull. Set down with 3000#. Pump with no returns and increase pump pressure by 1400#. No circulation. Pulled 5 stands and made 2 swab runs & broke plugging in tubing. Trip back down and pushed fish to 14,570'. Trip out with overshot. (NOFISH).
- 12/1/98 Picked up 2 11/16" by 2 1/4" Box tap and tripped same in hole. Fished for 1/2 hour. Circulated 6' of fill (Cement & metal pieces). Trip out with box tap.
- 12/2/98 Finish trip out with tap. Had chunks of metal 1/4" to 1 1/4" inside tap. Trip in hole with wash-over shoe to cut 2 9/16" on fish.
- 12/3/98 Hooked up pump and lines and circulated well. Milled to top of fish @ 14,700'. Milled on fish with returns containing metal shavings & fill. Made 8-10 feet when tubing plugged. Started out of hole with

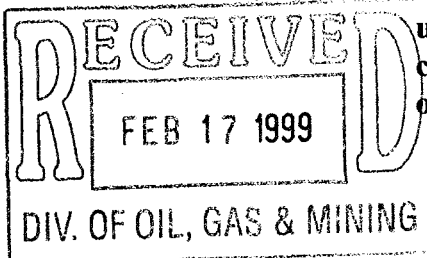


John Chasel Ute 3-6A2

John Chasel Ute 3-6A2 Chronology Continued.

Wash-over mill and string. Tubing was plugged & pulled wet.

- 12/4/98 Circulate tubing. Trip back to bottom with wash-over mill. Milled on fish for 3 hours and made 5'. Tool dropped 2' and milled for 15 minutes and tool dropped 18". The tubing plugged again. Trip out with plugged tubing. Could not get swab down tubing due to fill and paraffin. Pulled wet all the way. (NO FISH).
- 12/8/98 Unfreeze well-head and lines. Circulate bottoms up. Circulate down on fish @ 14,714'. Made about 3-4 feet on fish. Plugged tubing. Pulled wet. Left about 1000' of work-string on hole for night.
- 12/9/98 Finished trip out with wet tubing. Laid down 8 joints of tubing with galled threads. Pick up 4" offset mile and tripped same in hole to 14,570'.
- 12/10/98 Picked up 6 joints of tubing. 12/10/Circulated bottoms up. Milled cement to top of fish @ 14,713'. Circulated bottoms up and cleaned up hole. Trip out with mill.
- 12/11/98 Finished trip out with mill. Picked up 4"-OD by 2.5"-ID Mill and tripped in hole with same. Milled on fish, pushed down hole about 21 feet to 14,734'. Tubing plugged. Trip out to liner hanger. Circulated and cleared plug in tubing.
- 12/12/98 Tripped back in hole and circulated bottoms up. Wash and work tubing. Plugged tubing about 10' short of yesterdays TD. Tripped tubing to liner top and tried to unplug, unsuccessfully. Tripped out with plugged tubing, pulling wet.
- 12/13/98 Finished trip out with wet tubing. Picked up new mill (4" X 2.5"). Tripped to top of perforations and circulated to clear tubing.
- 12/14/98 Picked up 6 joints of tubing and rigged up lines. Circulate bottoms up. Washed and reamed 3 hours to bottom. Mill shoe hung up on collapsed casing. Pulled up to 9700' and tubing parted. Put new line over crown blocks and tripped out 6 joints. Tubing parted 13 joints



John Chasel Ute 3-6A2

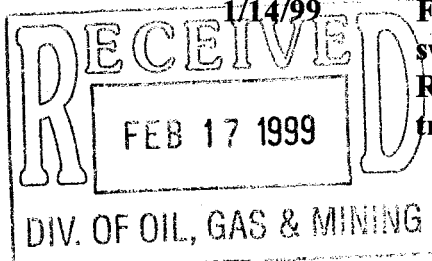
John Chasel Ute 3-6A2 Chronology Continued.

from surface.

- 12/16/98 Picked up overshot & tripped in hole to top of tubing. Circulated hot water to clean up paraffin from casing and fish. Latched onto fish and pulled tubing through tight spots in casing. Tripped wet tubing from hole.
- 12/17/98 Trip in hole with 4"OD by 2.5" ID shoe. Circulated bottoms up. Washed and reamed fill from 14,713 to 14,740'. Milled about 1 foot on fish. Plugged tubing and tripped mill to top of liner.
- 12/18/98 Pump and clear tubing and circulated bottoms up. Trip in hole and circulate bottoms up. Wash and ream on fill to 14,714' circulating up black shale and cement. Circulated bottoms up tripped out 5 stands to clear perforations.
- 12/19/98 Tripped 5 stands in hole. Circulated bottoms up. Wash and ream to bottom. Milled on fish. Tripped out of hole and found that bottom of shoe was off tools @ 14,441'. Evidence indicated that we have been working on outside of 5" casing.
- 12/28/98 Picked up 3 joints of slotted tubing, 1 joint of tubing, 1 joint of slotted tubing, one 6' 2 3/8" pup joint, lock set production packer, one left handed (on & off) tool, one Trico pump cavity. Tripped in hole drifting tubing. Rigged down power swivel and cleaned paraffin out of cellar.
- 12/29/98 Pressure 300# on tubing & 200# on Casing. Tripped two stands in hole and hooked up lines and pumped hot water to clean paraffin out of tubing; then drifted tubing. Set packer with 12,000# tension on tail pipe @ 14,705'. Set packer @ 14,440'.
- 1/13/99 Pulled standing valve and ran blanking sleeve. Swab well for 4 hours. Initial fluid level 1,200'. Made 10 swab runs and swabbed down to 13,000'. Swabbed 81 barrels of fluid. Swabbed blanking sleeve off seat. Pulled blanking sleeve and replaced with new blanking sleeve.

1/14/99

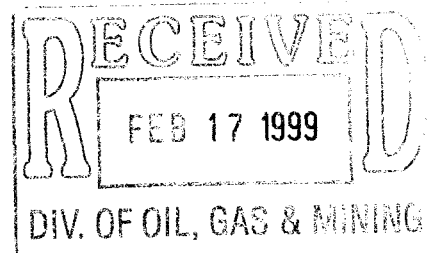
Fluid level was at 3,800' this AM. Swab well for 2.5 hours, making 6 swab runs. Recovered 54 barrels of fluid and pulled level to 4,600'. Rig up pump and lines and filled tubing and casing. Nipped down tree and nipped up BOPs. Tail pipe stuck and did not release packer.



John Chasel Ute 3-6A2

John Chasel Ute 3-6A2 Chronology Continued.

- 1/15/99 Pulled blanking sleeve. Cut off 2 3/8" tubing pup. Trip out of hole.
- 1/16/99 Picked up overshot and jars and tripped same in hole. Dressed top of fish to trip and jar loose. Worked fish 25' up hole, and tubing parted 2 joint from surface.
- 1/18/98 Picked up overshot for 2 7/8" tubing and tripped same in hole. joints. Latched onto fish. Tripped out laying down crooked tubing, approximately 220 joints. Recovered fish.
- 1/20/99 Trip shoe and slim hole collar in hole. Picked up straightened tubing tripped in hole. Less 3 joints.
- 1/21/99 Rig up pump and lines and washed and reamed from 14,620' to 14,701'. Circulating out cement and black shale. Circulated bottoms up.
- 1/22/99 Tripped 4 stands in hole and started milling. Mill plugged. Tripped out with plugged mill & tubing. Swab wet tubing. Cleaned cement out of mill and bottom joints. Chunks of cement to 2" in tubing. Trip in hole.
- 1/23/99 Finished trip in hole. Drilled from 14,701 to 14,731'. Circulated bottoms up and pulled 5 stands out.
- 1/24/99 Tripped 6 stands in hole. Tagged fill @ 14,721'. Pull 2 stands and rig up pump and lines. Displaced hole with clean water. Tripped out of hole and laid down slim hole collar.



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Chasel Energy (Quinex Energy Corporation)

3. Address and Telephone No.

465 South 200 West, Bountiful, Utah 84010 (801) 292-3800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FSL. 1400 FEL, Sec. 6, T 1 S, R 2 W. USM

FORM APPROVED

Budget Bureau No. 1004-0135

Expires: March 31, 1993

5. Lease Designation and Serial No.

14-20-H62-4652

6. If Indian, Allottee or Tribe Name

Ute Tribal

7. If Unit or CA, Agreement Designation

John Chasel

8. Well Name and No.

Ute 3-6A2

9. API Well No.

43-013-31882

10. Field and Pool, or Exploratory Area

BLUEBELL

11. County or Parish, State

Duchesne

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other Directional whipstock
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

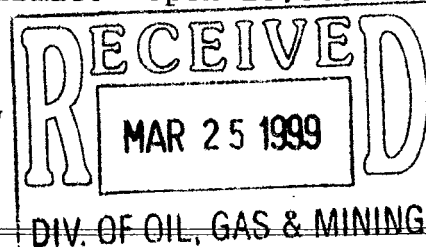
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Quinex Energy proposes to directional drill the Wasatch Formation in the Ute 3-6A2 well as follows.

1. Set a cast iron bridge plug @ 12,150' & dump 2 sacks of cement on top of CIBP.
2. Cut a window in 7" casing @ approximately 12,130'.
3. Set Kick-off Drilling Assembly @ 12,130'.
4. Drill building angle at approximately 2° per 100 feet. Direction 20° Magnetic.
5. Drill directional hole to location 1000 feet from old hole in Wasatch Formation. Approximate depth 15,566' measured in directional hole.

NO ACTION; WORK WILL NOT BE DONE; OPERATOR DOESN'T KNOW WHAT THEY ARE GOING TO DO PER MIKE HEBERTSON/CHD



4. I hereby certify that the foregoing is true and correct

Signed [Signature]

Title President, Quinex Energy

Date 22 March 1999

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____

Date _____

Quinex Energy Corporation
JOHN CHASEL UTE 3-6A2
INITIAL GREEN RIVER PERFORATIONS

43-013-31882

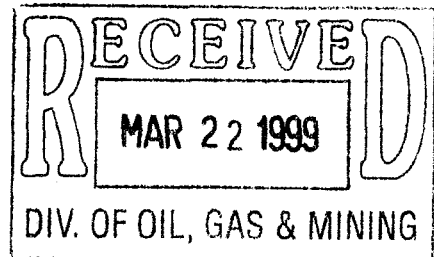
It is proposed that the Green River Formation be completed in the well with operations as follows: Set a CIBP (Cast Iron Bridge Plug) in the well at a depth of 12,150', Perforate the following selected zones using 3 shots per foot, 120 degrees between shots. The perforations will use 23 gram shots.

Selected Perforations

<u>Zone Number</u>	<u>Depth</u>	<u>Shots</u>
1C	11,762, 64, 66, 68, 70'	15
2C	11,402, 04, 06, 12, 14'	15
3C	11,102, 04, 06'	9
4C	10,832, 34, 36, 38'	12
5C	10,282, 84, 86, 88'	12
6C	10,196, 98, 200, 02'	12
7C	10,127, 28, 29'	9
8C	10,188, 90'	6
9C	10,171, 73, 75	9
TOTAL PERFORATIONS =		99 Shots

The following zones have been selected for a Green River Formation completion in the John Chasel Ute 3-6A2 well.

NO ACTION; WORK WILL NOT BE DONE; OPERATOR DOESN'T KNOW WHAT THEY ARE GOING TO DO / MIKE HEBERTSON / CHD



STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN for such Proposals.

1. Type of Well: OIL ☒ GAS ☐ OTHER:

2. Name of Operator:

QUINEX ENERGY CORPORATION

3. Address and Telephone Number:

465 SOUTH 200 WEST, BOUNTIFUL, UTAH 84010

4. Location of Well: 660' FSL, 1400 FEL, Section 6, T1S, R2W, USB&M

Footages:

QQ, Sec., T., R., M.: SE1/4, Section 6, T 1 S, R 2 W

5. Lease Designation and Serial Number:

14-20-H62-4652

6. If Indian, Allottee or Tribe Name

UTE TRIBAL

7. Unit Agreement Name,

UTE TRIBAL

8. Well Name and Number:

Ute 3-6A2

9. AP Well Number:

43-013-31882

10. Field and Pool, or Wildcat:

BLUEBELL

County: DUCHESNE

State: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT

(Submit in Duplicate)

- | | |
|--|---|
| <input type="checkbox"/> Abandon | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recomplete |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Approximate date work will start _____

SUBSEQUENT REPORT

(Submit Original Form Only)

- | | |
|---|---|
| <input type="checkbox"/> Abandon * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Other <u>CHANGE OF OPERATOR</u> | |

Date of work completion 1 December 1999

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Quinex Energy has taken over operations of the Chasel Energy, Chasel Ute 3-6A2 well.

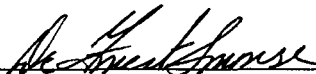
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APR 24 2000

DIVISION OF
OIL, GAS AND MINING

13.

Name & Signature: DeForrest Smouse



Title: President, Quinex Energy Co. Date: 1/12/99

(This space for State use only)

DESIGNATION OF AGENT OR OPERATOR - FORM 5

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: John Chasel, Chasel Energy, Ute Tribal 3-6A2

LEASE NUMBER: 14 20H62 4652

and hereby designates

NAME: Quinex Energy Corporation

ADDRESS: 465 South 200 West, Suite 300, Bountiful, Utah 84010

as his agent/operator, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to (describe acreage to which this designation is applicable):

Township 1 South, Range 2 West, USBM

Section 6: SW $\frac{1}{4}$ SE $\frac{1}{4}$

Duchesne County, Utah

Chasel Ute 3-6A2

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DIVISION OF
OIL, GAS AND MINING

It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees promptly to notify the Division Director or Authorized Agent of any change in this designation.

Effective Date of Designation 1 April 1999 By: *John A. Chasel*

(signature)

Company Chasel Energy

Title: *Owner*

Address 2285 Lucky John Dr.
Park City, Utah 84060

Phone: 435-649-2382

memorandum

DATE: October 19, 2000

REPLY TO
ATTN OF: Acting Superintendent, Uintah and Ouray Agency

SUBJECT: Change of Operator

TO: Bureau of Land Management, Vernal District Office
Attention: Margie Herrmann, Division of Minerals and Mining

We have received copies of Sundry Notices, dated January 12, 1999, and received in our office on September 18, 2000, informing this office of a change of operator for the following wells:

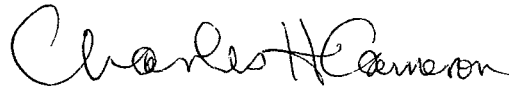
OPERATOR - FROM: John D. Chasel
TO: Quinex Energy Corp.

Legal Description	Lease No.	Well No.	Location
Sec. 6-T1S-R2W	14-20-H62-4652	Ute Tribal 3-6A2	SE/4

This change of operator will be effective on April 1, 1999.

All operations will be covered under Quinex Energy's Bond filed with this office, for those wells on trust property.

If you have any questions, please contact this office at (435) 722-4310.



cc: Jerry Kenczka, BLM/Vernal
Energy & Minerals, Ute Tribe
Ute Distribution Corporation, Roosevelt, UT
Lisha Cordova, State of Utah
Theresa Thompson, BLM/State Office

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH		4-KAS
2. CDW		5-SP ✓
3. JLT		6-FILE

Enter date after each listed item is completed

X Change of Operator (Well Sold)

Designation of Agent

Operator Name Change (Only)

Merger

The operator of the well(s) listed below has changed, effective: **4-1-1999****FROM:** (Old Operator):

CHASEL ENERGY

Address: 2285 LUCKY JOHN DR.

PARK CITY, UT 84060

Phone: 1-(435)-649-2382

Account No. N9680

TO: (New Operator):

QUINEX ENERGY CORPORATION

Address: 465 SOUTH 200 WEST STE 300

BOUNTIFUL, UT 84010

Phone: 1-(801)-292-3900

Account No. N9995

CA No.

Unit:

WELL(S)

NAME	API NO.	ENTITY NO.	SEC. TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
UTE 3-6A2	43-013-31882	12344	06-01S-02W	INDIAN	OW	P

OPERATOR CHANGES DOCUMENTATION

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 07/27/2000
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 04/24/2000
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 11/01/2000
- Is the new operator registered in the State of Utah: YES Business Number: 873902-0142
- If **NO**, the operator was contacted on: _____
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: 04/01/2000
- Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: N/A

8. **Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator change for all wells listed involved in a CA on: N/A

9. **Underground Injection Control ("UIC") Prog:** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 11/01/2000
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 11/01/2000
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE BOND VERIFICATION:

1. State well(s) covered by Bond No.: N/A

FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed has furnished a bond: N/A
2. The **FORMER** operator has requested a release of liability from their bond on: N/A
The Division sent response by letter on: N/A
3. (R649-2-10) The **FORMER** operator of the Fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: _____

FILMING:

1. All attachments to this form have been **MICROFILMED** on: 2.26.01

FILING:

1. **ORIGINALS/COPIES** of all attachments pertaining to each individual well have been filled in each well file on: _____

COMMENTS:



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal District Office

170 South 500 East

Vernal, Utah 84078-2799

<http://www.blm.gov/utah/vernal>

Phone: (801) 781-4400

Fax: (801) 781-4410

IN REPLY REFER TO:

3160

UT08300

November 1, 2000

43.013.31882
1S 2W 6

Quinex Energy Corporation
Attn: DeForrest Smouse
465 South 200 West, Suite 300
Bountiful, UT 84014

Re: *John Chasel 3-6A2*
Well No. ~~Ute Tribal~~ 3-6A2
SE, Sec. 6, T1S, R2W
Lease 14-20-H62-4652
Duchesne County, Utah

Dear Mr. Smouse:

This correspondence is in regard to the Sundry Notice submitted requesting a change in operator for the referenced well. After a review by this office, the change in operator request is approved. Effective immediately, Quinex Energy Corporation is responsible for all operations performed on the referenced well. All liability will now fall under your BIA Nationwide Bond, for all operations conducted on the referenced well on the leased land.

If you have any other questions concerning this matter, please contact Margie Herrmann or Leslie Crinklaw of this office at (435) 781-4400.

Sincerely,

Jerry Kenczka
Jerry Kenczka
Petroleum Engineer

cc:


John D. Chasel
BIA

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NOV 08 2000

DIVISION OF
OIL, GAS AND MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
QUINEX ENERGY CORPORATION

3a. Address **465 S. 200 W., Bountiful, Utah 84010** 3b. Phone No. (include area code) **(801) 292-3800**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL, 1400' FEL, Section 6, T1S, R2W, USBM

5. Lease Serial No.
14-20-H62-4652

6. If Indian, Allottee or Tribe Name
Ute Tribal

7. If Unit or CA/Agreement, Name and/or No.
Ute Tribal

8. Well Name and No.
John Chasel Ute 3-6A2

9. API Well No.
43-013-31882

10. Field and Pool, or Exploratory Area
BLUEBELL

11. County or Parish, State
DUCHESNE, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION				
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input checked="" type="checkbox"/> Water Shut-Off	
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____	
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon		
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal		

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Milled out Baker Modle R double grip Packer. Perforated selected zones in Green River Fm.

Placed on production, and well made excessive water. Ran production log to locate water producing zones.

**Set isolation packers as follows: Double grip Modle R @ 10,296'
RN Packer @ 10,026' with 2 7/8" tubing between.**

Set Production packer as follows: 7" Modle R double grip packer @ 9,791'.

Place well back on pump.

Work done between December 26, 2000 and March 30, 2001.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

DeForrest Smouse

Title

President

Signature

Date

April 12, 2001

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

QUINEX ENERGY CORPORATION
JOHN CHASEL 3-6A2
SELECTED PERFORATIONS

Quinex Energy Corporation has selected the following re-perforations for the John Chasel 3-6A2 well. All Perforations are correlated to the Gamma Ray Log on the Compensated Neutron Log and then to the Cement Bond Log. OWP will perforate the well using 4" Power Pack using a diversion of 120 degrees between shots with 3 shots per foot.

<u>Zone</u>	<u>TDT Depth</u>	<u>CBL Depth</u>	<u>No. Perfs</u>
D 1	11,776'	11,764'	3
D 2	11,722'	11,710'	3
D 3	11,512'	11,500'	3
D 4	11,418'	11,405'	3
D 5	11,413'	11,399'	3
D 6	11,252'	11,240'	3
D 7	11,108, 09'	11,096, 97'	6
D 8	11,016, 17'	11,005, 06'	6
D 9	10,837, 38'	10,825, 26'	6
D 10	10,714'	10,702'	6
D 11	10,532, 33'	10,518, 19'	6
D 12	10,330, 31'	10,316, 17'	6
D 13	10,320'	10,308'	3
D 14	10,288, 90'	10,274, 76'	6
D 15	10,128'	10,114'	3
D 16	10,117'	10,102'	3
D 17	10,092, 93'	10,077, 78'	6
D 18	10,072'	10,057'	3

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OIL, GAS AND MINING

John Chasel 3-6A2 Re-Perf.

Page 2

<u>Zone</u>	<u>TDT Depth</u>	<u>CBL Depth</u>	<u>No. Perfs</u>
D 19	9,942, 44'	9,927, 29'	6
D 20	9,859'	9,844'	3
D 21	9,834, 36, 38'	9,820, 22, 24'	<u>9</u>
Total Perforations			93

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From: "Mike Hebertson" <mike@quinexenergy.com>
To: <CAROLDANIELS@UTAH.GOV>
Date: 8/20/2008 4:03 PM
Subject: Well Information Changes
Attachments: Wells Stat Sheet.xls

The attached spreadsheet contains corrections to Quinex wells that will help update your files

43 013 31882
John Chasel 3-6A2
1S 2W 6

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QUINEX ENERGY CORP

API Well Number	Well Name	County	Qtr/Qtr	Sec	T-R	Ft. NS	NS	Ft. EW	EW	Well Status	Well Type
43-047-31889	ALLRED 2-32A1E	Uintah	SESW	32	1S-1E	660	S	1521	W	POW	Oil Well
43-047-31713	BOWEN-BASTIAN 1-14A1	Uintah	SESW	14	1S-1W	398	S	2030	W	POW	Oil Well
43-013-32162	BRITTANY 4-12A3	Duchesne	C-NE	12	1S-3W	1320	N	1320	E	POW	Oil Well
43-047-31695	CHASEL-SPROUSE 1-18A1E	Uintah	SWNW	18	1S-1E	1516	N	804	W	POW	Oil Well
43-047-31711	CMS 1-13A1	Uintah	NENW	13	1S-1W	1300	N	1530	W	POW	Oil Well
43-047-39983	D.C. FED 1-11	Uintah	NENE	11	11S-20E	839	N	650	E	Permit	Gas Well
43-047-39982	D.C. FED 2-11	Uintah	NENE	11	11S-20E	829	N	621	E	Permit	Gas Well
43-013-32149	DAVID 3-7B2	Duchesne	NWSE	7	2S-2W	1547	S	1749	E	POW	Oil Well
43-047-31874	DEEP CREEK 2-19A2E	Uintah	NWSW	19	1S-2E	2421	S	980	W	POW	Oil Well
43-013-32787	DS FED 3-23	Duchesne	NWSW	23	9S-17E	1986	N	612	W	SI	Oil Well
43-047-39196	HELEN FED 1-26	Uintah	SWNW	26	9S-17E	1367	N	721	W	New Permit	Oil Well
43-047-39195	JANS FED 1-25	Uintah	NWNW	25	9S-17E	660	N	660	W	Permit	Oil Well
43-013-32789	JDC FED 4-23	Duchesne	SWSW	23	9S-17E	600	S	661	W	SI	Oil Well
43-013-31248	JODIE 3-36A3	Duchesne	NWNE	36	1S-3W	752	N	1662	E	POW	Oil Well
43-013-32786	JODIE FED 1-23	Duchesne	NWNW	23	9S-17E	563	N	832	W	POW	Oil Well
43-047-39198	JOELYN FED 1-27	Uintah	CNNW	27	9S-17E	660	N	1320	W	New Permit	Oil Well
43-013-31216	JOHN 2-7B2	Duchesne	NWNW	7	2S-2W	484	N	671	W	POW	Oil Well
43-013-31882	JOHN CHASEL 3-6A2	Duchesne	SWSE	6	1S-2W	660	S	1400	E	SI	Oil Well
43-013-33617	JSW FED 2-26	Duchesne	NWNW	26	9S-17E	660	N	660	W	POW	Oil Well
43-013-33618	JW FED 2-27	Duchesne	NENE	27	9S-17E	656	N	705	E	Permit	Oil Well
43-047-31828	LESLIE TAYLOR 24-5	Uintah	SWNW	24	1S-1W	2450	N	1260	W	POW	Oil Well
43-013-32788	LFW FED 2-23	Duchesne	SWNW	23	9S-17E	1980	N	661	W	POW	Oil Well
43-047-31714	MALNAR-PIKE 1-17A1E	Uintah	SWSW	17	1S-1E	660	S	660	W	POW	Oil Well
43-013-31247	MERLENE 2-36A3	Duchesne	SESE	36	1S-3W	1040	S	1100	E	SI	Oil Well
43-047-31390	MICHELLE UTE 7-1	Uintah	NESW	7	1S-1E	1539	S	2439	W	POW	Oil Well
43-013-30381	UTE TRBL 11-6A2	Duchesne	SESW	6	1S-2W	2227	N	1561	W	POW	Oil Well
43-047-31591	REDCAP J D C 30-4-1A	Uintah	NWNW	30	1S-2E	876	N	669	W	SI	Oil Well
43-047-31653	SAM HOUSTON 24-4	Uintah	NWSE	24	1S-1W	1350	S	1400	E	POW	Oil Well
43-013-32129	SASHA 4-6A2	Duchesne	SWSW	6	1S-2W	660	S	660	W	SI	Oil Well
43-047-31940	EINERSON 1-4B1E	Uintah	SWSW	4	2S-1E	1056	S	795	W	POW	Oil Well
43-013-32131	TRISTAN 5-6A2	Duchesne	NWNW	6	1S-2W	660	N	660	W	POW	Oil Well
43-047-30127	UINTAH-SAM 28-2R	Uintah	NESW	28	1N-1E	2111	S	1847	W	POW	Oil Well
43-013-30042	UTE TRIBAL U 2-12A3	Duchesne	SWSW	12	1S-3W	1322	S	1325	W	SI	Oil Well
43-047-33179	WADE COOK 2-14A1	Uintah	NWNW	14	1S-1W	705	N	662	W	POW	Oil Well
43-047-31845	MARY R. U. 278	Uintah	NWSE	13	1S-1W	1971	S	2072	E	POW	Oil Well

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Field Name	Surface	Mineral	UTM E	UTM N	Elev. GR	Elev. KB	TD	PBTD	
BLUEBELL	Fee	Fee	592565	4466702	5362	5383	12750	12743	
BLUEBELL	Fee	Fee	587831	4471387	5610	5634	14055	13982	
BLUEBELL	Indian	Indian	570808	4473805	6532	6553	15790	15782	
BLUEBELL	Fee	Fee	590665	4472468	5571	5595	14300	14300	
BLUEBELL	Fee	Fee	589279	4472503	5608	5622	14200	14161	
HILL CREEK	Federal	Federal	616404	4415106	5095				
HILL CREEK	Federal	Federal	616412	4415109	5087				
BLUEBELL	Fee	Fee	572323	4463431	5848	5869	13527	13523	
BLUEBELL	Fee	Fee	600377	4470560	5392	5418	13900	13859	
MONUMENT BUTTE	Federal	Federal	587015	4429669	5224	5238	5800	5280	
UNDESIGNATED	Federal	Federal	587054	4428648	5290				
8 MILE FLAT NORTH	Federal	Federal	588644	4428882	5290				
MONUMENT BUTTE	Federal	Federal	587029	4429265	5260	5272	5700	5700	
BLUEBELL	Indian	Indian	570762	4467531	6302	6324	14145	14019	
MONUMENT BUTTE	Federal	Federal	587065	4430504	5192	5204	6001	5967	
UNDESIGNATED	Federal	Federal	585635	4428865	5312				
BLUEBELL	Indian	Indian	571502	4464416	5922	5943	14030	13994	
BLUEBELL	Indian	Indian	572320	4474433	6455	5477	15878	15877	
UNDESIGNATED	Federal	Federal	587033	4428863	5280	5298	5607	5606	
UNDESIGNATED	Federal	Federal	586617	4428863	5282				
BLUEBELL	Fee	Fee	589220	4470543	5497	5518	14022	13990	
MONUMENT BUTTE	Federal	Federal	587019	4430071	5226	5242	5655	5419	
BLUEBELL	Fee	Fee	592230	4471526	5502	5523	14403	13470	
BLUEBELL	Indian	Indian	570933	4466471	6259	6280	13860	13860	
BLUEBELL	Indian	Indian	591145	4473399	5617	5643	14711	14638	
BLUEBELL	Indian	Indian	571672	4475277	6639	6663	16800	13780	
BLUEBELL	Indian	Indian	600302	4469555	5344	5369	13550	13510	
BLUEBELL	Fee	Fee	590012	4470087	5460	5483	13865	13826	
BLUEBELL	Indian	Indian	571441	4474432	6533	6554	15830	15828	
BLUEBELL	Fee	Fee	593962	4465212	5274	5293	12833	12804	
BLUEBELL	Indian	Indian	571397	4475754	6646	6657	16782	16747	
ROBIDOUX	Indian	Indian	594136	4478438	5892	5917	16000	15345	
BLUEBELL	Indian	Indian	570014	4473004	6467	6483	15700	15693	
BLUEBELL	Fee	Fee	587414	4472656	5699	5720	14212	14150	
BLUEBELL	Indian	Indian	589788	4471891	5555	5576	16998	13914	

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